

JPRS-LAM-84-123

13 November 1984

# Latin America Report



FOREIGN BROADCAST INFORMATION SERVICE

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13 November 1984

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CONINAGRO OUTLINES CONDITIONS TO REACH GRAIN HARVEST TARGET

Buenos Aires LA PRENSA in Spanish 6 Oct 84 p 10

[Text] CONINAGRO [Agricultural-Livestock Intercooperative Confederation] drew up a document on grain production and marketing that was sent to the Executive Branch and also to legislators and officials. It refers to the president's exhortation to achieve a harvest of 60 million tons. The entity feels that it is feasible and necessary to reach that goal. It indicates in its document the advantage of having a series of basic conditions that make it possible to reach this production goal.

The entity stated that agricultural prices must insure a level of profitability for agricultural-livestock exploitation. National and provincial tax pressure must be transferred to the land factor, avoiding taxing investments and production. There must be a credit policy that permits those production levels and a higher incorporation of technology. As to the necessary infrastructure, the document mentions that storage capacity must be expanded, transportation services--especially railway and river--improved and the functioning of the ports expedited and expanded.

Also this entity mentioned that it is necessary to define the role that operators must assume in grain marketing and exports. It indicated that grain export activities must tend toward diversification of markets by finding new buyers, achieve continuity in those markets and obtain the best price possible under each circumstance.

To achieve these objectives, CONINAGRO said in the document that only the National Grain Board, by its legal nature, the nature of the interests for which it answers and as an autarchic organism of the state, and the agrarian cooperatives as authentic national enterprises representing the producers can fulfill those conditions without clashing with other interests.

The entity emphasized that it is important to make the export activities of the National Grain Board compatible with agrarian cooperativism in order to achieve stable joint harmonious action so that the only beneficiary is national interest. CONINAGRO mentioned that the National Grain Board has been set on a road that is considered correct but its pace must be accelerated.

Finally, the entity said that approximately 10 percent of Argentine grain exports are done now by the National Grain Board, 20 percent by the agricultural-

livestock cooperatives and the rest mostly by the large multinational firms and their subsidiaries. It added that substantially changing this ratio by increasing national business' participation in exports is a possible and necessary objective in order to insure adequate placement in the international markets of the larger productions planned in the president's exhortation and to achieve the volume that the country needs, 60 million tons.

7717

CSO: 3348/28

PROVINCIAL BANKS UNABLE TO MEET FARMERS' CREDIT DEMANDS

Buenos Aires LA NACION in Spanish 6 Oct 84 sec 3 p 5

[Text] Everything seems to indicate that there will not be lines of credit to plant the bulk crops. The banks will not give out money because they do not have the potential for those credits. This is because the Central Bank increased the required deposit of the banks from 82 percent to 95 percent which reduces their monetary resources to meet the requirements of the producers.

This situation provoked reactions in the agricultural-livestock sector because of the consequences it can have on planting the bulk crops about to begin. To discuss the topic, LA NACION met with Orlando Gilardoni and Juan C. Basanes, president and general manager of CONINAGRO [Agricultural-Livestock Intercooperative Confederation], respectively.

They indicated the need to change the situation since the "producer needs those credits right now to begin the bulk planting. If they are not granted now, it will be too late because planting cannot wait; it has an exact time. This will mean a reduction of production which could be important."

Gilardoni indicated that, according to the information received from El Chaco, about 100,000 hectares are not being planted for lack of credits "that were inherent to all the past governments."

The amount of money for the credits, according to an estimate made by the Bank of Argentina, would reach 3.7 billion pesos. "With its own resources, this bank has granted some 700 million pesos but, beginning last week, the credits have disappeared totally. They do not even exist for bank drafts," Gilardoni said.

Basanes felt it was appropriate to explain that these 3.7 billion pesos are less than the 5 billion pesos to which the total assets of the Bank of Argentina have been reduced as a result of the increase of the bank's required deposit. He said: "This is part of the reason for this bank's lack of resources. It is necessary to solve it immediately through rediscounts permitted by the Central Bank so that the Bank of Argentina and the banks of the provinces have assets to meet the credits requested."

## Activity in Crisis

The key point, according to these men, would be to obtain rediscounts from the Central Bank. Gilardoni said: "If the economic activity were not in crisis, there could be resources generated by the agricultural-livestock sector itself that would permit that financing. However, that is not the case and this way we are not going to achieve the production goals set by the government."

Finally, they stated that this restriction of credit in general through the increase of the required deposits is a serious problem for all national economic activity, especially the agricultural-livestock sector which must plant this month. "The logical consequences will be that the export margin will be greatly reduced. We cannot evaluate at this time how much it will go down but the amount will unquestionably be large," they predicted.

It should be pointed out that CONINAGRO sent a note on 12 September to the president of the republic asking for his intervention in the matter. They repeated this request this week in a telegram. The entity has also asked for meetings with the president of Central Bank, Dr Enrique Garcia Vazquez, and the minister of economy, Dr Bernardo Grinspun, to discuss these aspects that have just been described.

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CSO: 3348/28

BAHIA BLANCA WHEAT BOARD OFFICIALS ON PORT EXPANSION NEEDS

Buenos Aires LA NACION in Spanish 6 Oct 84 sec 3 p 7

[Text] About 3 years ago the Bahia Blanca Grain Exchange was founded. The papers on it were sent to the National Grain Board and then to the Secretariat of Agriculture after a considerable delay. Finally, the file was sent to the Ministry of Economy where it is now waiting for final authorization that must be granted by the National Executive Branch.

Pascual A. Pietracatella, Rodolfo H. Rodoni, Omar H. Barquin and Alfredo L. Lopez, president, secretary, treasurer and member of the Bahia Blanca Grain Exchange, told LA NACION this. They were visiting Buenos Aires to meet with related entities and show their concern about this delay. They indicated: "We cannot act operationally as a grain exchange but must limit ourselves to administrative activities until the Executive Branch decides on the final authorization."

They also referred to the "differential" rates at the port of Bahia Blanca, a measure passed by the National Grain Board due to the large number of ships that came there and impeded and delayed the work.

They stated: "The objective of this is to shift a great part of the operations to alternative river ports where the rates are lower like in the rest of the country. We feel it is absurd that, in order to alleviate the flow of ships at the port of Bahia Blanca, loading and unloading rates are increased. It is very obvious that, in order to avoid delays, it is necessary to immediately improve the port system with the adequate infrastructure."

They also indicated that it would be ideal to have a totally open port able to receive any type of ship. They said: "The solutions must be practical and not harmful, as occurs in this case. We feel we are being unjustly punished, taking operational possibilities away from the port of Bahia Blanca where the products of the west of Buenos Aires Province--General Villegas, Trenque Lauquen, America--came. They now send their grain to the river ports where the rates are obviously more advantageous."

They also indicated that, in order to fill ships in Bahia Blanca, they first have to load up in other ports to reach the maximum draft that the limiting passages permit. "They cannot arrive empty. This means that we are not only

punished with higher rates but there are requirements that compel loading in other ports, all this allegedly to avoid delays that can be solved in progressive instead of harmful ways."

With respect to government announcements about the remodeling of the port of Bahia Blanca, the members of the Bahia Blanca Grain Exchange revealed that the president's position meets their opinion, as no details have been announced officially. They assume that one of the first steps will be to bring Elevator No. 5, the most modern, to its original work capacity. It operates at 50 percent of its potential due to an explosion that occurred there in 1978.

They said: "Anyway, it is useless to have an excellent port if we continue with the current railway problems since we do not even have locomotives. It is necessary to achieve a balance among all the factors to permit the port to operate well."

Finally, they indicated their conviction that Bahia Blanca is "the future great Argentine port because it offers possibilities that others are not in the position to offer. There is a great need to use an outlet abroad and it could take care of practically all the production north of La Pampa, south of Cordoba and its zone of influence in Buenos Aires Province through Routes 35 and 33. There would be a more direct outlet here than from the port of Rosario and it would even be better than Buenos Aires which has draft problems."

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# EXPORT POTENTIAL SEEN FOR NEWLY DEVELOPED TANK TYPES

Bonn WEHRTECHNIK in German Oct 84 pp 78-82

[Article by 'W. F.': "Brazil Develops Battle Tanks"]

[Text] The group of tank-producing nations also includes Brazil. The largest country in South America, Brazil is introducing two competing tank models at the same time: the MB-3 Tamoyo made by the Bernardini Company and the EE-T1 Osorio made by the Engesa Company. Developed officially in order to meet the needs of the Brazilian armed forces, these two light battle tanks are highly significant in terms of exports, particularly in view of the fact that Brazil has almost become the number one exporter of wheeled armored vehicles.

When General Jose Ferraz da Rocha, minister and chief of the general staff of the Brazilian armed forces, visited the Bundeswehr and corporations in the arms industry (MBB, AEG-Telefunken, Siemens and Krauss-Maffei) in the Federal Republic of Germany in June of 1980, WEHRTECHNIK asked him what the reasons were for a self-sufficient Brazilian military industry. General Ferraz answered, "The purpose of establishing our own arms industry is of course to meet our own demands. However such an industry also helps to improve our industrial capabilities, even though to date relatively simple, not particularly sophisticated hardware has been developed. The export of arms--and that is indeed an important factor in our considerations--ensures that larger quantities will keep the price of the product at an affordable level, i.e. we will continue to be able to purchase arms which we ourselves have developed and manufactured." (WEHRTECHNIK, Oct 1980, p 85 ff)

The foreign currency which can be obtained through the export of arms is even considered by some to be a primary reason for expanding the arms industry. Successes in this regard have been achieved by Brazil above all with aircraft (also civilian aircraft) manufactured by Embraer, and Cascavel, Urutu, Jararaca and Sucuri wheeled armored vehicles manufactured by Engesa.

The first steps toward development in Brazil of tracked vehicles were made in the early to mid-70s by the privately-owned Bernardini Company of Sao Paulo, previously a manufacturer of safes, through production of an improved version of the old American M-3A1 Stuart battle tank with much greater combat efficiency for the Brazilian armed forces.

|                              |                    |  |  |
|------------------------------|--------------------|--|--|
| Manufacturer                 |                    | Engesa   | Bernardini   |
| Designation                  |                    | EE-Tl Osorio   | MB-3 Tamoyo  |
| Crew size                    |                    | 4  | 4  |
| Dimensions                   |                    |  |  |
| Combat weight                | t                  | 35   | 29   |
| Hull length                  | m                  | 7.08   | 6.5  |
| Length (tube 12 h)           | m                  | 9.95   |  |
| Length (tube 6 h)            | m                  | 9.43   |  |
| Width with skirts            | m                  | 3.26   | 3.2  |
| Height to top of turret      | m                  | 2.37   | 2.2  |
| Ground clearance             | m                  | 0.46   | 0.5  |
| Bearing length of track      | m                  | 4.49   |  |
| Steering ratio               |                    | 1.71   |  |
| Specific ground pressure     | kg/cm <sup>2</sup> | 0.68   | 0.70   |
| Performance specifications   |                    |  |  |
| Power-to-weight ratio        | kW/t (DIN HP/t)    | 21 (28.6)  | 16.5 (22.4)  |
| Maximum speed                | km/h               | 70   | 70   |
| Range over the road          | km                 | 550  | 700  |
| Fuel capacity                | l                  |  | 700  |
| Hill climbing ability        | %                  | 60   | 60   |
| Lateral inclination          | %                  | 40   | 30   |
| Maximum obstacle height      | m                  | 1.15   |  |
| Maximum trench width         | m                  | 3.00   |  |
| Fording capacity w/o prep.   | m                  | 1.20   |  |
| Deep fording cap. with prep. | m                  | 2.00   |  |
| Engine                       |                    |  |  |
| Type                         |                    | MWM TBD 234 V12<br>turbocharged<br>water-cooled<br>21.6 l displacement | Scania Brazil<br>DSI-14 V8<br>or<br>GM Detroit diesel<br>8V 92TA |
| Horsepower                   | kW (DIN HP)        | 735 (1000)<br>at 2300 RPM  | 478 (650)<br>at 2100 RPM   |
| Transmission                 |                    |  |  |
| Type                         |                    | ZF Type LSG 3000<br>power shift<br>transmission                        | General Electric<br>HMPT 500-3                                   |
| Number of gears              |                    | 4 forward<br>2 reverse   | 3 forward<br>1 reverse   |
| Armament                     |                    |  |  |
| Elevation                    |                    | 105 mm/120 mm<br>-10 +20   | 90 mm/105 mm   |
| Ammunition supply            |                    | 52/40  | 68   |
| Axially parallel machine gun |                    | 7.62 mm  | 12.7 mm  |

|   |   |         |
|---|---|---------|
| Anti-aircraft gun                               | 7.62 or 12.7 mm   | 7.62 mm |
| Ammunition supply                               | 7.62 mm: 5000   |         |
|   | or  |         |
|   | 7.62 mm: 3000   |         |
|   | 12.7 mm: 600  |         |
| Smoke projector                                 | 2 x 4   | 2 x 4   |
| Fire control and observation equipment          |   |         |
| Main periscope                                  | OIP LRS-5 day/night<br>with laser range<br>finder (LRF)         |         |
|   | or  |         |
|   | SFIM VS-580, stabil-<br>ized by LRF                             |         |
| Commander's aiming and<br>observation equipment | OIP SCS-5 day/night   |         |
|   | or  |         |
|   | SFIM VS-580-10, sta-<br>bilized by LRF                          |         |
| Night sighting device                           | Philips UA-9090, sta-<br>bilized, for com-<br>mander and gunner |         |

In developing this new tank the company was able to find several Brazilian suppliers, some of which are subsidiaries of American and European companies--an important factor in the manufacture of non-Brazilian products in Brazil such as engines, transmissions and electronic components in order to save foreign currency.

In addition to the new Brazilian designation X-1A, the M-3 incorporated other refinements such as a 206 kW diesel engine built by Scania Brazil, a new transmission, newly developed armor, improved tracks manufactured by Novatracao, etc. The improved version of the X-1A, the X-1A2 Carcara, has six road wheels instead of five, and has a 90 mm gun manufactured by Cockerill. The US M-41 tank is also being improved by the installation of a Scania Brazil 294 kW diesel engine, a new transmission, a 90 mm gun and new armor. These measures for increasing combat efficiency are also being made available to foreign armed forces, above all in Latin America and Asia, and increasingly in Africa and the Near East.

At the end of the 1970s Bernardini began to develop its own battle tank, originally designated the X-30 by the company. The basis for this new development was the demand by the Brazilian armed forces for a 30 metric ton battle tank which was to be fitted with a 105 mm weapon and which was to be developed in Brazil. The weight was dictated in part by the bearing capacity of bridges in Brazil, but also by the desire to pull even with Argentina, Brazil's neighbor to the south, which had contracted with Thyssen-Henschel in the FRG for development of the light TAM battle tank (combat weight: 29.5 metric tons). Although the prototype of the X-30 was originally scheduled to be completed in 1981, the project was delayed for roughly two years due to a number of causes. This time was used, however, to thoroughly redesign the tank, now called the MB-3 Tamoyo by the armed forces. After the project was picked up again in

1982, the Bernardini Company (which also cooperates very closely with the corps of engineers of the Brazilian army) was awarded a contract for manufacture of six prototypes which will undergo field testing beginning at the end of 1984.

From its outward appearance the MB-3 Tamoyo, which is to be series-produced and 95 percent Brazilian-made, shows characteristics of several foreign-made battle tanks: The skirts are similar to Merkava skirts, the rear resembles the M-1 Abrams design, the front plate has features of the Leopard 1, etc. The MB-3 can be fitted with a 90 mm gun manufactured by Bernardini as well as a 105 mm weapon which is also supposed to have been developed by the same company. Two possible engines have been mentioned: the 8-cylinder DSI-14 diesel which develops 478 kW (650 DIN HP) at a speed of 2100 RPM made by Scania Brazil, and the equally powerful GM Detroit diesel 8V 92TA. The HMPT 500-3 transmission is made by General Electric (both companies are represented in Brazil), and the track is made by Novatracao. It is supposed to be possible to change out the engine in 22 minutes. The fuel tanks hold 700 liters and provide a range of roughly 700 km, given the specified fuel consumption of 100 liters per 100 km--a very low value. The battle tank carries a surprisingly large amount of ammunition: 50 rounds in the chassis and 18 rounds of reserve ammunition in the turret. The thickness of the armor on the front of the turret is given as 100 mm. The only foreign-made components are alleged to be the fire control system and the optronics, manufactured by Ferranti and Kollsmorgen; an infrared device can be added if desired.

Whereas the Tamoyo appears to be completely designed to meet Brazilian requirements--without precluding its export--it would appear that the question of exportability was a major consideration in the case of its competitor, the much more modern EE-1T Osorio made by Engesa. Although the Osorio was also developed using company funds, a private Arab group is supposed to have helped finance the project with hopes of finding a market for the Osorio in the Arab world at a later date. The company, however, denies Arab involvement in the development of the tank. The heavier armor and the consequent higher combat weight, as well as the possibility that the company may deliver the tank with a 120 mm weapon, may be the result of the fact that export of the tank to the Arab world is being hoped for. Although the combat weight of the Osorio is given as 35 metric tons, the armor required for deployment in countries in the Near East should quickly bring the weight up to between 37 and 40 metric tons. This higher mass yields a "normal" power-to-weight ratio of approx. 18.4 kW/t (25 DIN HP/t)--a value nearly as high as that of the powerful Leopard 2--while the power-to-weight ratio at a weight of 35 metric tons is as high as 21 kW/t (28.6 DIN HP/t), a value never before reached in series-manufactured battle tanks. The acceleration of 0 to 32 km/h in 5.4 s (in comparison, the value for the M-1 Abrams is 7 s) has also not yet been achieved. The very low specific ground pressure--around 0.7 kg/cm<sup>2</sup> for both Brazilian tank models--would then be somewhat higher.

As far as is known, Engesa is cooperating with the British Vickers Company in the development of the turret. Protective armor will probably be used; it is doubtful that the British composite armor design (Chobham) is already being used at this time. The hydropneumatic Dunlop Dunloride running gear with shock absorbers on road wheel pairs 1, 2 and 6 is also of British manufacture.

Armaments include the standard 105 mm L7/M68 weapon which may be made under license in Brazil, as well as an optional 120 mm gun. Because the Rheinmetall Company will probably not receive an export license, there is a good indication that this tank will be fitted with the French GIAT CN-120 smooth-bore gun designed to use the same ammunition, although the weapon is still in the developmental stage.

The fire control and observation equipment in the electrically driven turret are products of Great Britain, France and the Netherlands; the fire control system should be supplied by a Brazilian subsidiary founded jointly by Engesa and Philips. As is customary in the case of exported vehicles, it should also be possible to install equipment manufactured by other companies. The fire control system is to be available in three versions: a basic system with a main OIP periscope, a more sophisticated version with tilt angle compensation and an advanced system (Marconi) with stabilized optical equipment.

Engesa turned to components developed in Germany for the power plant: The engine is a slightly modified version (TBD 234-V12) of the extremely compact D 234 marine, pump and vehicle engine series made by Motoren-Werke Mannheim (MWM), adapted for use in battle tanks (e.g. through use of a different radiator). A lower-powered version of the same engine, for example, is installed in the TB600 semitrailer tractor manufactured by Kaiserslautern KFM GmbH which was displayed at the IAA exhibition in Frankfurt in 1983 (see WEHRTECHNIK, Oct 1983, p 107). Because MWM has an affiliate in Brazil, it is probable that the engine will be produced there. Other MWM engines are also installed in Brazilian military trucks.

Engesa chose the LSG 300 [as published] power shift transmission manufactured by Zahnradfabrik (gear factory) in Friedrichshafen. This new, modular transmission, developed using company funds for tracked vehicles with engines of between 330 and 1100 kW (450-1500 DIN HP), will also be installed in the new XK-1 battle tank (together with the 736 kW (1000 DIN HP) MTU 871 engine) which General Dynamics is developing for Korea and which is to be manufactured in that country. The presence in Brazil of a company in the Zahnradfabrik Group also puts manufacture under license there within the realm of possibility. The same also applies to the 57 cm wide Diehl 234 end connection track with replaceable rubber bumpers to be made by Bristan, the Brazilian Diehl company.

Development of the Osorio also did not proceed as fast as had at first been planned--the purchase of foreign-made components is alleged to have been held up by foreign currency difficulties, among other things, so that the rollout of the already finished prototype will not occur until the end of October 1984. It is still difficult to tell which of the two battle tanks will be introduced into the Brazilian army. Perhaps both types will be introduced, because it is much easier to export a model which is already in use in the armed forces of the exporting country. In general, the market potential of both models ought to be good--if for no other reason than that they are less expensive than battle tanks manufactured in North America and Europe. In this regard, it is important to note that both models use commercially available components in most cases, such as the MWM engine which is undoubtedly less expensive than an engine developed specially for use in a battle tank. In addition, it is known that Brazilian companies support their foreign customers by supplying ultramodern training materials designed to meet their customers' specific needs.

## ACCORDS AIMED AT TRADE EXPANSION WITH JAPAN

Santiago EL MERCURIO in Spanish 26 Sep 84 p C-2

[Text] A recommendation to Japanese authorities that they take action to eliminate those restrictions that apply to the importing of table grapes and other Chilean farm products constitutes one of the main conclusions of the Sixth Conference of the Chilean-Japanese Businessmen's Commission, which took place in Santiago.

Over 150 delegates and observers, who discussed the possibilities of increasing bilateral trade, participated in the conference.

The agreements reached at this meeting were announced at a press conference by the chairman of the Chilean chapter of the commission, Hernan Daroch, and of the Japanese section, Bunishiro Tanabe.

In addition to eliminating restrictions on Chilean farm products, the national commissions agreed to work together in eight areas. Among them is the promotion of Chilean exports to third countries using the marketing networks of Japanese commercial companies.

In connection with this, one of the Japanese businessmen explained that there exists in his country a very unique organization referred to as "commercial firms for integration," which is composed of over 10 companies, among them the Mitsubishi Corporation. These companies have international marketing facilities and are prepared to offer them to Chile to place its products.

The Japanese businessman said that the idea is to first get Chilean products to penetrate the Japanese market and then to pass them on to third countries. He added that other products would be marketed just as Chilean copper and lumber have their distribution networks.

With regard to the obstacles to the admission of Chilean grapes, the Japanese delegation said that the Chilean agricultural pest control authorities had promised to present proof before the end of the year that the fruit is not contaminated by the Mediterranean fruit fly, which would make it possible to introduce this product on the Japanese market as of the beginning of the coming year.

In any event, the foreign delegation stated that Japan has improved its grape production, suiting it to the taste of its population, a requirement Chile would also have to meet aside from those of quality and pest control to penetrate this market.

The Japanese businessmen said that the conference was especially convened to discuss, as a main topic, the sales Chile may make to Japan.

With regard to this, Herman Daroch explained that consumption of Japanese products in our country has considerably dropped as a result of the worldwide economic recession, and he said that the Japanese understand this situation.

He stressed the fact that Japan is one of Chile's chief trading partners and that the increase in the volume of our exports to that country can greatly contribute toward increasing revenues for the purpose of achieving economic development and meeting payments of foreign obligations.

He reported that the balance of trade between the two countries is a deficit balance for Japan of about \$300 million.

#### Foot and Mouth Disease

Another agreement reached consists of recommending to the Japanese Government that it recognize that Chile is a country which is absolutely free of foot and mouth disease, an acknowledgment that has already been made by other countries.

As concerns this matter, the Japanese delegation explained that Chile is not the only country that has this problem, mentioning the case of Argentina which has signed an agreement with the Japanese Government for the sale of cooked meat. Furthermore, they reminded us that an outbreak of foot and mouth disease was recently recorded in Chile.

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CCG: 3548/20

MERINO ANNOUNCES ECONOMIC APPROVALS; COMMENTS ON PARTY LAW

Santiago EL MERCURIO in Spanish 26 Sep 84 p C-3

[Interview with Adm Jose Toribio Merino by EL MERCURIO, in Santiago on 25 September 1984: "Party Law: Difference Between Congress and Chief Executive Settled"]

[Text] Adm Jose Toribio Merino yesterday stated that the disagreement existing between the legislative branch and President Pinochet over the number of signatures required to form a political party has been practically resolved and that the bill will be expedited during the first half of October.

He also confirmed the fact that the agreement reached between the members of Congress and the chief of state consists of a distinction between members and sympathizers, the respective figures for whom amount to about 30,000 members and 100,000 supporters.

The official made these statements at the end of a regular congressional session held yesterday in the Diego Portales Building.

He noted that the differences that had arisen between the two branches of the government were resolved because "the two parties agreed that an equitable and eclectic solution was better for the good of the country than an extremist solution."

Approval

Admiral Merino also reported passage of the bill that provides for a compensatory allowance of 400 pesos for each person for whom the beneficiary receives a dependent or maternity allowance.

This bill favors the public sector, pensioners, persons who receive only dependent and PEM [expansion unknown] benefits and the POJH [expansion unknown].

He also announced that the bill that permits mortgagors whose mortgages are held by savings and loan institutions, with the exception of the SINAP [National Savings and Loan System], to change their obligations from development units (UF) to readjustable units (UR) and that it will benefit approximately 260,000 people.

This bill will go into effect on 10 October, he added.

#### Interview

The following is the interview held between Admiral Merino and reporters on the 16th floor of the Diego Portales Building at the close of the congressional session:

[Question] Which bills were passed?

[Answer] Two important bills were passed. The first bill we passed grants an allowance of 400 pesos per dependent allowance to those public administration employees who earn less than 30,000 pesos and also to those who are employed in the PEM and the POJH. The second bill we passed was the bill that permits mortgagors whose mortgages are held by different organizations, savings and loan institutions, to change from UF to UR. This law, which is of enormous importance for mortgagors who are paying in UF, will go into effect on 10 October. The savings and loan institutions are authorized to transfer the mortgages of mortgagors who so desire from UF to UR.

[Question] Aren't bank mortgagors included?

[Answer] No, bank mortgagors are not affected by this; this law is exclusively for mortgagors of Savings and loan institutions, but not those of the SINAP because through the provisions of the previous law, which permitted the refinancing of mortgages, SINAP institutions are within the 60-percent limit and are thus in a really privileged position with respect to mortgagors.

[Question] How many people will be favored by this law?

[Answer] There ought to be at least some 250,000 to 260,000 people who are eligible. They are all middle-class people who have bought their own homes.... Many of them have had to stop making payments because they can't come up with them. Therefore, the law is lenient in cases in which, if the mortgagor is in arrears in his payments, he is not burdened with any legal expenses of fines there may be because of it.

[Question] Your committee is also handling the supervisory banking bill. In what shape is it?

[Answer] It's being studied. There's one very difficult article. That's why we've been delayed. It's the first article, which deals with the Central Bank's authority, in accordance with Article 84 of the Constitution, to make a certain kind of loan.

[Question] As concerns the political party bill, you've insisted that there have been major rapprochements between the legislative branch and the chief executive. Can you indicate what some of them are?

[Answer] I believe this bill will be released during the first half of October because the differences that existed have been practically resolved. It would

no doubt take much too long to explain to you everything that has to be done to readjust and readapt the bill because it will have to be practically entirely drafted from scratch since there are some more or less 80 articles.

[Question] Essentially, how were the differences resolved?

[Answer] They were essentially resolved because the two parties agreed that an equitable and eclectic solution was better for the good of the country than an extremist solution.

[Question] With respect to the number of signatures, there has been talk of a distinction between members and sympathizers. What can you tell us about this?

[Answer] That there is a difference of opinion, but that nothing is going to happen, that it will be settled soon.

[Question] And is it going to continue to be an approximate figure of 30,000 signatures, Admiral?

[Answer] Yes, more or less.

[Question] And about 100,000 sympathizers?

[Answer] More or less.

[Question] That is to say, a distinction is going to be established between sympathizers and members?

[Answer] Yes, definitely.

11,466  
CSO: 3348/20

RETIRED POLICE OFFICER SEEKS FRG EMBASSY'S ASSISTANCE

Santiago EL MERCURIO in Spanish 26 Sep 84 p C-4

[Article: "Ingrid Olderock: Ex-Police Major Creates Strange Situation"]

[Text] The officer asked the German Embassy for economic assistance to travel to that European nation.

Retired police major Ingrid Olderock yesterday asked the Embassy of the Federal Republic of Germany for assistance to travel to that country within the next few hours. The officer arrived at the embassy, located at 785 Calle Agustinas, at 0910 hours carrying eight bags.

Two hours later Major Olderock left the embassy, noting that she had not requested asylum, but "assistance to buy a travel ticket."

When she was asked about her reasons for leaving Chile, she replied: "I am being constantly watched. I know that they are following me everywhere and that they are doing it on instructions from the government."

She added that it was very hard for her to have to leave Chile "because I love my country very much and I've dedicated all my work to it."

Farther on, the police officer talked about the attack made on her on 15 July 1981, during which persons unknown fired on her as she was leaving her home on Calle Coventry in the town of Nunoa.

She acknowledged that she is suffering from certain mental problems as a result of the attack. "I have memory blanks, but I have not forgotten those who fired on me."

Questioned about accusations leveled against her that link her with acts of torture, Major Olderock replied: "That's not true. As a Christian, I have always highly valued morality and ethics. It's true that for 3 years I worked at the DINA [National Intelligence Department], but I didn't torture anybody."

Consul's Version

Asked about the situation generated by Major Olderock at the German Embassy, the German consul in Chile, Hugo Fehrenbach, told us that "she came with all her

baggage this morning (yesterday) and I received her. She told me that she wanted to go to Germany as soon as possible and my response was that, since she has dual citizenship — she is Chilean by birth and German by national origin — and has a valid German passport, she can travel to the Federal Republic of Germany whenever she wants to."

The diplomat added that "apparently the problem is that she probably does not at present have sufficient funds."

#### Police Statement

At 2015 hours yesterday the police made the following announcement: "Police headquarters issues the following statement regarding reports published today by various public news media on the situation involving retired police major, Miss Ingrid Olderock Bernhard:

"1. Due to the extremist attack on her life which she was the object of on 15 July 1981, the state of her health has caused the Medical Commission to advise that she be retired with all pension rights because she is in no condition to continue on active service with the police.

"2. The perpetrators of this attack, which has curtailed the brilliant career of Major Olderock and seriously impaired her health, were arrested and brought before the court, having confessed their crime, a case which is being tried in the Second Military Tribunal of Santiago.

"3. The Chilean National Police once again deplores the consequences of the cowardly attack and reiterates that Major Olderock is covered under a second-class disability with the applicable financial rights guaranteed by law."

11,466

CSO: 3348/20

BRANDT ASSESSES CASTRO: 'ONCE A REVOLUTIONARY, NOW A STATESMAN'

Hamburg DER SPIEGEL in German 22 Oct 84 pp 40-43

[Article by SPIEGEL editor Klaus Wirtgen on close friendship between Willy Brandt, Fidel Castro: "Later, We Will Go to the Baseball Game"]

[Text] It was past midnight. Hidden behind a multi-colored glass screen, Willy Brandt, 70, chairman of the SPD and president of the Socialist International, felt the time had come to make a very special gesture. At 23 minutes past midnight last Tuesday night, the German ex-chancellor suggested to his host, Fidel Castro, 57, Cuba's head of state and party chief, that they call each other by the familiar "Du."

The Cuban revolutionary rose from his chair and the German social democrat advanced toward him. Shielded from the eyes of others and from cameras, the two men—one of them wearing green battle dress and the other a stylish single-breasted suit—grabbed each other in an "abrazo," a brotherly hug.

From that point on, they called each other Fidel and Willy. "That is the way it is sometimes," Brandt says. "Two people understand each other from the very start."

Willy Brandt added still another memorable scene to his career. There was a simple reason for his not wanting to have a photographer present: he did not wish to provide his political enemies in Bonn and Washington with pictorial evidence in support of their claim that the ex-chancellor and father of Ostpolitik was cozying up to Moscow and its viceroys all over the world at the expense of the leading power of the West.

Which is also the reason why he asked Maximo Lider Castro just to shake hands upon his departure from Jose Marti airport. For the same reason he also sidestepped an invitation by his host to spend a vacation in Cuba. "I will first have to ask my wife," he said.

For the chairman of the Socialist International, Cuba was the high point of his 3-week trip through Central and South America—and he enjoyed every bit of it. Castro had his visitor without portfolio flown to Cuba in a Cubana de Aviacion Ilyushin and welcomed him at the gangway. And

after spending just 2 days in Havana, Brandt was saying proudly: "Fidel has done nothing these past couple of days other than to take care of me. They even asked me whether it is true that I like to eat lamb."

Vice President Carlos Rafael Rodriguez, considered by many to be the strong man in the background, had worked out a detailed schedule for the Brandt visit, including exact times for meetings at the central committee, in the foreign ministry and with Castro. But El Comandante brushed all that aside with a wave of his hand. "No," he said, "we will do it differently. First, we go to the old city and afterwards we will go to the baseball game." Last Sunday was the opening day of the baseball amateur world championship in Havana.

For over an hour, the mixed group wandered through the streets of "Old Havana" where the Cubans have been restoring the remnants of their colonial past under Spanish domination up to the late 19th century with the help of Polish craftsmen for the past 3 years: the old governor's palace; the old city fort; city hall; an old apothecary shop; even the cathedral.

For the German ambassador to Cuba, Joachim Kampmann, this cordial reception was an entirely new experience. Though Bonn did restore diplomatic relations with Cuba in 1975, no cabinet minister or top politician has visited the number two big power in the Caribbean after the United States until now.

As they ambled through the city Castro provided his guest with evidence of his supreme political showmanship. He shook the hands of old women who suddenly found themselves face to face with their president on this late Sunday afternoon until they started crying full of emotion. And then there was a little boy whom he kept quizzing until he found out that 7 year-old Carlos wanted to become an architect because the house across the street was so colorful and that he preferred boxing to baseball.

When they reached the old governor's palace, which presently houses Havana's museum of history and where the black-red-and-gold flag [of Germany]—the one with the hammer and sickle in it, to be sure—can also be seen, Castro grabbed his German guest by the arm and said: "That is an example of what power means." Then, he pointed to the U.S. Embassy across the way and said: "That is also a symbol of power; but it also shows how transitory it is. I hope that the power of the revolution will last for all eternity."

At the "Arab House," he then asked city historian Eusebio Leal Sprengler about the origin of the name of Castro. "It is a Spanish word." "And what does my name mean," Castro asked. "Impregnable fortress," the historian answered. "And that is what I am," Castro said to Brandt.

Just a few steps away, in the old bodega, Brandt then got to meet a citizen of the country which helps guarantee Castro's invincibility. Castro suddenly made for one of the patrons who was just having a drink with a Cuban woman. The man jumped up in surprise when he saw the chief of state standing before him, confusedly extended his hand toward Brandt and barely managed to introduce himself as 'Anatoliy.'

"Just another 5 minutes," Castro told his weary guests and led them toward the cathedral. Now, finally, Brandt got a word in edgewise. "Standing here in front of the cathedral reminds me that Cardinal Arns from Sao Paolo asked me to give you his best regards."

Castro said nothing; but he had understood the message. The Brazilian archbishop is one of those Latin American princes of the church who sympathize with "liberation theology" which the Vatican considers to be Marxist-tainted.

By this time it had gotten to be evening and across the square in front of the cathedral local people strolling through the old city could be heard shouting 'Fidel, Fidel.' For the German guests, it sounded like 'Willy, Willy.'

On the following day, Castro received his German guest in his wood-panelled study in the Palace of the Revolution. His desk is dominated by a large glass container full of wrapped candies—a drug to substitute for the Havana cigars which his adjutant must always have ready three paces behind the Comandante. But three ashtrays at the office are evidence of the fact that the therapy does not work.

On the shelf behind his desk there are reference works on botany as well as numerous well-worn history books—among them a Spanish encyclopedia and a study on Galicia—which tell of the interests of a man who once started out as a young lawyer and who today is the longest-serving chief of state on the American continent aside from Paraguayan dictator Alfredo Stroessner.

The Cuban and the head of the Socialist International talked for 9 hours. "Once a revolutionary; now a statesman," was the way Brandt summed up his impression.

Brandt was particularly impressed by Castro's interest in reopening the dialogue with the United States. "He is infinitely more concerned about the goings-on in the United States than the majority of the average intelligent Germans," Brandt said.

Castro spoke at some length about the complex details covered by Reagan and his challenger Walter Mondale in their debate on domestic policy. He expressed his concern several times about whether Mondale would raise the right questions in the course of the upcoming debate on foreign policy.

If he should succeed of re-ordering his relationship with the United States, then, Castro told his guest, he would seek out a "new role" for his island about which even the USSR would be surprised.

At least in part Brandt discovered a kindred soul in Castro who, so Brandt felt, is "free of hostile sentiments against a people with whose government one was having serious difficulties."

Castro vehemently denied the cliché that he is no more than a vassal of the Soviet Union. "I am bloc-free but I belong to the socialist camp," he says, maintaining that the two positions are compatible. He did not intervene in Angola in 1975 on Soviet orders by any means, he says. "Please do not think that we were asked to go to Angola. It was our decision just as it will be our decision to leave that country"—but not until an agreement on the independence of Namibia has been reached.

During the course of their marathon conversation the souls of Brandt and Castro were in harmony, too, when it came to the current situation in Central America. Time and again, the Cuban head of state would be handed slips of paper with the latest news from El Salvador where at that very hour Jose Napoleon Duarte, the Christian Democratic president, was negotiating for the first time with representatives of the guerrilla left in the mountain village of La Palma. The two elder gentlemen (Castro telling Brandt: "We may be 13 years apart; but we belong to the same generation") agreed above all with regard with the mostly young Sandinista commandantes in Nicaragua.

Prior to coming to Havana, Brandt had stopped off in Managua and already come out with the following flat statement: "If all of these people are supposed to be Marxists and Leninists, then I am an anteater." Castro agreed with him, telling him of the many hours—"sometimes until 2 am"—he debated with the Nicaraguan enthusiasts about their frequently confused ideas. And he made it clear that he had no desire whatever to export his revolution to the crisis areas of Central America. "Otherwise, I would be in danger," he said.

Late at night, Brandt came out with a first summation of his lengthy discourse about world affairs with his new-found friend. "Now we ought to start to talk," he said.

That his fast friend could get him in hot water at home or that Heiner Geissler might use the Havana trip to accuse the social democrats yet once again of being part of Moscow's fifth column—those are things the party chairman does not fear. On the flight to Mexico, the last stop on his American expedition, he was relaxed as he said: "Others think that I have other things to do. Still others think that they have other things to do. No, I have no problems with my position."

After a while he added: "It is similar to the time when some people in our country wanted to get rid of the Hallstein doctrine. Back then, someone had to step forward and make a treaty—namely me."

## 15,000 CATTLE DIED IN CAMAGUEY IN FIRST HALF OF 1984

Havana GRANMA in Spanish 9 Aug 84 p 3

[Text] Camaguey--There were 15,297 cattle deaths recorded in this province in the first 5 months of this year, that is, 2,788 more than projected for the period, of which 5,542 were calves, 4,713 were yearlings, and 5,037 were mature animals.

From the veterinarian standpoint, various factors were to blame for this unfortunate situation, most important of which were malnutrition, lung diseases and accidents arising from innumerable deficiencies due to carelessness and irresponsibility, and these were repeated in both cattle units of this location until they became a complex of problems. Worst of all was the number of deaths that have occurred.

Through a series of inspections conducted in the 18 cattle enterprises located in Camaguey Province to analyze cattle mortality, the personnel of the Camaguey Veterinary Medicine Institute (IMV) dealing with cattle-raising repeatedly made precise recommendations in every visit during 1983 and the current year. For the purpose of promoting pertinent measures, the IMV recommends preventive, curative and recuperative courses of action for animals of all ages, in order to prevent their affliction with diseases that ultimately kill them if the suggestions are not followed, and at the same time it has set up a network of hospitals for young animals and recuperative centers for adult cattle.

In light of the certain and serious fact that mortality was increasing, among the things detected and repeatedly examined are the ineffective control and deficiencies regarding waterholes and cattle dips, incorrect classification of cattle according to physical condition, misuse of the enclosure for antiparasitic treatment, and carelessness in preventive rotation. Additionally, insufficient supply of water, sick animals together with healthy ones, excess of "weaned" animals in the dairies, and mishandling of sick and healthy herds as regards hygiene and feeding.

The violations cited suffice by themselves to get an idea of what should be normally done and is not always done, but there is more with respect to negligence which, unfortunately, brought about losses in the cattle population and the dismissal of veterinarians, intermediate level technicians and

management personnel in the units and districts of some enterprises. Thus one can add the lack of shade in recuperative enclosures, poor preparation of the lactocream that is fed to the calves, inconsistency in the quantities provided and the schedules, failure to observe technical norms for the breeding of calves, evidence of animals with keratitis (not a few of which end up blind), crowding, failure to use cradles [cunas] in grazing, nonfulfillment of the zootechnica flow on account of excessive number of grazing calves, calves together with cows in pastures, calves afflicted with omphalophlebitis, deficiencies in protection against epizootic diseases, and animals unvaccinated against carbuncle.

Among the more common conditions that crop up in most enterprises every time a thorough study is made, there stand out the deficiency in the ingestion of colostrum by the calves, cows giving birth in pastures (where they remain with their young for 3 or more days), the presence of outside animals in state units, and the lack of a good inspection of 10 percent of a group of animals dipped against ticks 72 hours after the treatment, in order to varify its effectiveness.

#### Opinions

Dr Silvio Perez, IMV delegate in Camaguey, stressed as an alarming situation which persists in 1984 the losses inflicted on the Camaguey cattle population by hemoparasitosis, whose control does not meet the requirements and whose incidence remains considerable.

"This occurs despite the fact that material conditions at this time are better suited for the control of ticks and hemoparasitic diseases," he said. "Since the first quarter of this year, we have had a more effective product against ticks, an increase in the number of dips and of animals to be dipped, and more availability of specific medicines to control hemoparasitosis."

Dr Ricardo Ayala, assistant technical director of the IMV provincial delegation, reported that 105 sources of acarids have been detected so far this year, with 125,251 animals prone to be carriers, 5,913 sick, and 248 dead from that scourge of cattle raising. "I consider that the lack of effective control of ticks by our technicians has a bearing on this," he pointed out, "as a result of deficient inspection and clinical work at the sites where the dangerous parasite is spreading."

Moreover, Dr Jose Salas, chief of the cattle veterinary service in Camaguey, stated that the elimination of the problems uncovered in the inspection visits to the cattle installations depends in great measure on the control, inspection, guidance and demands of the managing collective.

"We could not place that responsibility on anyone in particular," he underscored, "but implicit in it are the performance and flexibility of the enterprise director, the chief of production, the chief of units and districts, and also of our veterinarians and technicians, who repeatedly and for various reasons fail to carry out their respective roles. We are all involved in that, and we have committed ourselves to improve the mortality

situation in the cattle population, and to make that population grow quantitatively and qualitatively until we surmount the weak or sick animal stage.<sup>1</sup>

#### Implacable Struggle Against High Cattle Mortality

After the unfavorable rate of mortality recorded in the January-May period of the current year, it is worth noting that a slight decline was observed in June, when there were 800 deaths less than in May and 719 less than the average figure for the preceding 5 months, and the results should progressively improve, according to IMV analyses in that connection. The 1984 plan has been rigorously discussed with a view to closing the year with 30,700 deaths in the province, which if attained would be the lowest mortality figure in Camaguey for the past 8 years.

There are 158 veterinarians (55 are women) working in the province at the 18 cattle enterprises in operation. In the state cattle sector, the IMV ministers to 5,514 animals per veterinarian when the norms in that respect establish 1,200, which denotes the extra effort. Some days ago, 12 experienced veterinarians came from Havana to eventually reinforce that activity in the Triangle One and Triangle Six enterprises.

Even so, it is foreseen there will be progress in the diagnostic network, a marked lessening of the brucellosis and tuberculosis programs, and renewed enthusiasm in the current implacable struggle against cattle mortality in all its ample diversity of causes, which we will address in successive reports.

8414

CSO: 3248/24

## WINTER CANE PLANTING BEHIND SCHEDULE IN 10 PROVINCES

Havana GRANMA in Spanish 17 Aug 84 p 1

[Text] Very few times in cane planting has a work stage shown so much difficulty getting started. When assessing the accomplishment of the so-called winter season up to last Wednesday, only two exceptions can be made: Ciego de Avila and Las Tunas.

Both fulfilled their plans for the July-31 August period and are proceeding with the September program. Las Tunas has a lead of 14 percent, and the Avilans almost 10 percent.

Another acceptable performance is that of Holguin. The 78 percent attained could change in the remaining workdays of the month, and it could be added to the extremely small list of "leading platoons."

Seven of the cane-growing provinces are lagging, and seven of them are not even up to the growing national level of accomplishment, which is 43 percent.

Days go by, and concern grows. Cane leaders of the Ministry of Sugar have reiterated the need to meet the commitments of the first 2 months of winter planting, inasmuch as September is "burdened" with an extensive area to be planted.

What is left undone now is added to the subsequent stages, and that is when the "bottlenecks" and last-minute pressures occur to prevent a completion in the end.

The planting program is not set off in periods just for the sake of it. It is dictated by reasons of national cane strategy.

Following that come the marathons, the giant mobilizations, and the well-known "everybody to the planting," which impair quality and alter the plans formulated on the basis of careful analyses.

Quality is achieved by the normal monthly, even daily, fulfillment. On Wednesday, according to the operational report, little more than 50 caballerias

were planted in the country. Present day reality requires no less than 100 caballerias, in order to exceed the 4,000 to be completed in July and August.

The seven provinces that cannot show even the country's average (43 percent) are Pinar del Rio, Matanzas, Villa Clara, Cienfuegos, Sancti Spiritus, Granma and Guantanamo.

Slightly exceeding it, but nonetheless included in the critical group, are Havana, Camaguey and Santiago de Cuba.

The latest report (15 August) showed 1,723.5 caballerias in this winter planting that has had a bad beginning.

Let us look at the state of land preparation. The current 78 percent shows that it will be difficult for all soils to be processed prior to 31 August.

A new postponement must be prevented.

Guantanamo--lagging in planting--incorporated 100 percent of the lands into the process. Holguin also did the same. A clear advantage for both if they reconcile their interests.

The plan for the whole semester is at the 78 percent stage, and Pinar del Rio, Havana, Matanzas, Sancti Spiritus, Ciego de Avila and Holguin have not reached even that level.

It is easy to realize that Las Tunas and Ciego de Avila have made good use of the lands reported ready, to judge from the lands being processed and the amount of planting.

Villa Clara, Cienfuegos, Las Tunas and Santiago de Cuba are at an 80 percent stage, or higher.

3414

CSO: 3248/23

## HAVANA CONVENTION CENTER TO UNDERGO EXPANSION

Havana GRANMA in Spanish 29 Aug 84 p 1

[Excerpt] The news is summed up as follows: the Convention Center has started to implement an investment plan intended to expand its facilities.

We interviewed Abraham Maciques, director of the center, to get details in this connection:

"It became a necessity at the end of 5 years. The experience gained in that time showed that the center could provide greater facilities to carry out more elaborate events. Hence, an investment program was approved which comprises the construction of a new 5-story block and a hotel, which will be connected to the existing buildings by means of bridges," Maciques explained.

According to the project of architect Antonio Quintana, designer of the whole works, this new block will have two halls with capacity for 700 persons each which will be equipped for simultaneous translations in 14 languages, and other smaller halls for 100 persons. It will have an exhibition area, a cafeteria, and facilities for the reproduction of documents, among other things. The projected hotel will be started by the end of this year or early next year. It will have 250 rooms and will have the same architectural style as the center in order to blend with the complex.

"As will be recalled," Maciques explains, "the center was built for the holding of the 6th Summit Meeting of Nonaligned Countries in August-September 1979, hence its facilities responded to the needs of the conference. It was realized afterwards there was a lack of medium-size halls, inasmuch as there is a plenary hall for 1,700 persons, two halls for 400 persons, and other smaller ones. When the expansion project is completed--scheduled for December 1985, with a view to the Third Party Congress--we will be in a optimal situation to accommodate any event, no matter how elaborate, as for example, the World Health Assembly, to which event the Cubans are aspiring.

"These structures will complete the center, turning it into a complex dedicated to the holding of conventions that will be able to compete internationally in this ever-increasing activity, which is known throughout the world as 'the convention industry.'"

8414

CSO: 3248/23

## YOUTH STRIVE TO IMITATE ROCK STARS

Cienfuegos 5 DE SEPTIEMBRE in Spanish 11 Sep 84 p 2

[Article by Jose Carlos Perez, attorney, specialist in development physiology: "To the Parents: It Is Your Responsibility Too"]

[Text] A newswoman on our editorial staff, a colleague of mine, recently submitted for the consideration of the reading public a critical piece on the present tendency of some youths to dress like and to imitate international performers, like Michael Jackson.

After giving some thought to the situation observed by her, I have come to the conclusion that this is not a problem only of the youths involved in so ridiculous a tendency, but that part of it is also the lack of responsibility of some parents and their failure to make proper demands of their children.

On many occasions we have argued that education as an element of society is not the task of the school alone: it requires the participation of parents and of all the public media and political and mass organizations. This is the basic premise of education in a socialist society, it guarantees the proper, integral training of our children, adolescents and youth.

In addition, history has shown through the ages that pedagogically education is the transmission of accumulated experiences from one generation to another. It is therefore the responsibility of adults to pass these teachings on to the new generations.

The school lays the groundwork; it instructs the children and gives them all the wealth of knowledge that comes from the sciences. It is the obligation of the parents then to insist on the observance of these rules and of those that are part of the cultural patrimony of each country and in ways that facilitate social coexistence.

Dress is not exempt from these regulations, inasmuch as fashions are an integral part of the culture of a people and our country stands out for the very reason that it has its idiosyncrasies. No father would think

of allowing his son or daughter to dress like Cro-Magnon Man, for that would mean going around the streets naked. Why then allow his son to dress like or to imitate a person who is nothing more than the product of a consumer society that is the complete opposite of our own?

It is an established fact that when children reach a certain age they are eager to have complete independence. This, however, is impossible, especially for young students who are still economically dependent on their parents.

Furthermore, it must be kept in mind that when children are born they do not bring standards and rules with them. These are inculcated in them during their entire lives as part of the educational process and therefore children must learn what their parents and other adults teach them.

In doing this, it is not necessary always to be giving explanations and sermons of one kind or another. Personal example is one of the most effective methods that can be employed and making is demands not just words.

Demands, and forceful ones, must be used in the training and education of children, and thus we are of the opinion that when adolescents and youths dress up like Jackson, Travolta et al., the responsibility also lies with the parents.

8089

CSO: 3248/38

SEVENTH PSUM CC PLENUM ACKNOWLEDGES INTERNAL PROBLEMS

Mexico City ASI ES in Spanish No 118, 31 Aug 84 p 2

[Apparent text of resolution issued by Seventh Plenum of the Unified Socialist Party of Mexico; Mexico, D.F., 14 August]

[Text] During the Seventh Plenum of the Central Committee (expanded with the participation of the secretaries general of the State Committees), held on 14 August 1984, the specific commission designated at the Sixth Plenum to seek proposals for solving the general and particular internal problems of PSUM, reported that "it was impossible to reach a consensus to submit to the CC."

Thus, the Seventh Plenum adopted the following resolutions:

1. The Central Committee resolves that the Political Commission is to submit to the party and to the Central Committee itself a report on its work, as well as that of the Secretariat, the sections and the national commissions. This report will be submitted this October.
2. The Central Committee resolves to form a commission, the functions and purposes of which will be the following:
  - a. To obtain proposals from the PSUM members concerning the operation, method of formation and functions of the Central Committee organs.
  - b. To submit to the party and to the Central Committee a report on those proposals, and on the associated discussion, so that the Central Committee may examine and decide on it, if necessary, during October.
  - c. This commission will not replace any function of the Central Committee's permanent organs.
  - d. This commission may not submit proposals on the formation of the Central Committee's organs.
  - d. In particular, the commission will obtain the proposals voiced at the National Conference on Organization regarding the topics noted in paragraph a.

The members of the commission are as follows (in alphabetical order): Raymundo Cardenas, Salvador Castaneda, Olac Fuentes, Horacio Garcia Perez, Sabino Hernandez, Gustavo Hiraes, Cesar Navarro, Pablo Pascual, Gilberto Rincon Gallardo, Adolfo Sanchez Rebolledo and Manuel Stephens.

Mexico, D.F., 14 August 1984

The Seventh Plenum of the Central Committee.

2909

CSO: 3248/20

PSUM STATE CONFERENCES PREPARE FOR 16-18 AUG NATIONAL MEETING

Mexico City ASI ES in Spanish No 118, 31 Aug 84 pp 18-20

[Text] With a view toward the National Conference on Organization held in Mexico City on 16, 17 and 18 August, state organization conferences took place in 28 of the country's states. Through these conferences, PSUM [Unified Socialist Party of Mexico] intended to devise precise guidelines and suitable mechanisms that would promote the deployment of the Unified Socialists' political activity in an organized manner. The goals of constructing a revolutionary, democratic, labor party of masses are inextricably linked with the problems of organization; hence the significance of these events. We offer below a summary of the decisions and resolutions adopted at the conferences held in different parts of the country.

Aguascalientes

The State Conference on Organization took place on 12 August, with 12 delegates attending; and both the national document and the State Committee's report were approved. The effort to give an impetus to PSUM's development in the state will begin with statistics and analysis of PSUM's situation and the state's policy. They deem it essential for the state entity to have professional cadres.

Differences have cropped up in the Aguascalientes PSUM between the party's oldest members and those who have been participating for a short time; and hence one of the party's tasks will be to settle those differences. It was considered necessary to seek channels for the daily reception of information on the party's situation and the overall policy, because ASI ES is arriving very late.

A work plan will be devised to improve PSUM's influence among the workers, settlers and peasants. Commissions will be formed for the reentry of members in all the municipalities and the formation of committees. A campaign will be conducted in the press, using flyers, so that those who have joined the party may participate in the work and new fighters may enter the struggle in the party.

Baja California Norte

On 5 August, the State Conference on Organization took place, at which the draft resolutions for the state and national conferences were approved. It was resolved to give an immediate impetus to the organization work proposed in those documents, through a work plan of the State Committee.

There was approval for the restructuring of the State Committee and the professionalizing of the leading cadres. They also came out in favor of achieving close relations between the State Committee and the municipal committees, and possibly setting up territorial committees, based on the needs of each region.

The conference approved the formation of leadership cells for the rank and file organizations and their placement in a concrete front of masses, as well as an improved division of labor that would guarantee greater participation by the members. The formation of electoral commissions on both the state and municipal levels was also recommended, so as to plan, from now on, the Baja California PSUM members' participation in the 1984 elections.

Other resolutions were: to improve the distribution and sale of AS E; to promote a policy on finances; to develop political education plans; to adopt measures to enable the party to grow, primarily among the working class; and to arrange policies for alliances with the rest of the left.

#### Baja California Sur

On 11 August, the State Conference was held with 20 delegates attending. Basically, it discussed the State Committee's report.

The conference noted that an impetus should be given to political education, in the rank and file organizations, wherein the party's fundamental documents would be analyzed. A policy will be devised to enable the latter to require dues from the members, provide for finances and actively participate in the movements and struggles in their area of activity.

They proposed the convocation of municipal congresses, entailing a previous membership campaign, a restructuring of the rank and file organizations and the creation of other new ones. Regarding the policy of alliances, possibilities are observed only with PRT [Revolutionary Workers Party], because the other parties have no presence in the state. Stress was placed on the necessity for having professional political cadres.

In 1982, PSUM received a 2 percent electoral vote, and in the last elections the number rose to over 7 percent; nevertheless, the conference was of the opinion that, from now on, considerable resources would be needed to continue improving the party's electoral presence, as well as for the mass movement. They also resolved to carry out a campaign to sell ASI ES and to improve the distribution.

#### Coahuila

On 4 and 5 August, the PSUM State Conference on Organization took place in Saltillo, with 49 delegates participating, with Gerardo Unzueta, member of the Political Commission, representing the Central Committee. Considered as a valuable contribution from the two state congresses that have been held was the fact that they have provided sufficient bases for the party's construction throughout the entire state.

They proposed the expansion of the number of members of the state leadership, for the purpose of being able to enlarge participation in the construction and provision of municipal committees. They noted that, at present, there are 80 rank and file organizations combined in five zonal and municipal committees, although PSUM's influence reaches at least 15 municipalities.

Another key issue discussed by the Coahuila Unified Socialists was that of creating an alternative program for the society in that state, to include the demands most felt by the popular, worker and peasant sectors.

Finally, it was agreed that PSUM's State Conference on Organization in Coahuila would represent a major advancement in the construction of a party of masses in the state, which would oppose the bipartisan movements hovering over the citizenry in that state and in the country.

#### Colima

The State Conference was held in Colima on 11 August, with 25 delegates in attendance. The document which the CC submitted as a Draft National Resolution was approved. In addition, they advocated ASI ES' being a newspaper of masses, based on its content and style, and being acceptable to millions of Mexicans.

There will be an impetus for formation of municipal committees where they are lacking, as well as for the organization tasks with the settlers, and a package will be provided to all members, containing the documents with which every party member should be familiar and utilize.

Analyses will be made of the electoral situation in the state, the university problems, the housing alternatives, the work with workers and peasants, and other matters. An effort will be made to have the members fully engaged in the party's activities, and it is proposed to achieve this in two ways: through the study of the party's policy line and the struggles currently under way involving mass transportation and the settlers' movements, among others.

#### Chiapas

The Conference on Organization, held on 29 July, was typified by the hostile, oppressive environment present in the state. One of the main demands brought up by the Chiapas PSUM members was for an explanation of the attack upon the peasant leader, Jose Rodriguez, who had been shot, a week earlier, along with Andres Domingo Ramirez, who was killed.

The state's Unified Socialists added that the insecure atmosphere that prevails in the state is only emboldening the reactionary forces of obscurantism and the right, which have become a threat to all the citizens.

PSUM in Chiapas set as goals progress with the organic construction of the party, delineation of the means and methods for consolidating the rank and file organizations and the municipal committees, restructuring of the State Committee, and establishment of the basic guidelines for preparing a political

program that will address the needs of the people of Oaxaca and enhance the party's political influence.

With a view toward the 1984-85 election campaign, it was resolved to begin preparations now, opening the discussion of an electoral program for the state, selecting the best candidates and making ready to defend the vote.

#### Federal District

On 10, 11 and 12 August, the PSUM-DF's State Conference on Organization took place in Mexico City. It resolved to start a membership campaign to increase the number of members in the DF fivefold, between now and August 1985, and to organize them immediately based on work centers and residence; and also to intensify internal unity and guarantee freedom of criticism and unity of action, improving the strong bonds between the rank and file organizations and the delegational entities, and between the latter and the DF Committee. For this purpose, they will ensure the flow of information and the dissemination of different political positions.

An effort will be expended to make the leadership cells, from the DF Committee to the rank and file organizations, be the driving force for the party's growth and action. Members of the leadership who do not attend three consecutive meetings of their leadership organ will be removed from their positions.

The Unified Socialists agreed to plan and organize all the party's activities in the DF, and to devise policies which address the entity's problems, and those of the workers and residents. It was also recommended that the consensus method be used to make decisions and, if they are not reached, there must be a follow-up and work must be done, on the basis of the majority decisions.

As for finances, they will promote dues for the members and other means for attracting funds; and it will be required of all party echelons which use funds that they report on their bank statements and budgetary policies.

Among other resolutions, they decided to foster an information organ which could come out as a supplement of ASI ES, to form district committees based on rank and file organizations, to arrange broad alliances with the left and with democratic forces, and to become united with the Pascual and Sutin struggles, and others.

#### Guanajuato

On 12 August, the State Conference took place in Irapuato, where the national document was approved, with 36 delegates from rank and file and municipal organizations participating in the discussion and decisions. The State Committee reported on its activity since July of last year. A state work plan was proposed for next year.

In it, they underscore the party's general activities, the forums and conferences, the electoral participation, the consolidation of the work with the

comrades from CNTE [National Coordinating Board of Education Workers], the promotion of the popular urban movement, of the railroad workers' movement and of the electricians' union, and the union work with the agricultural workers.

PSUM in Guanajuato discussed issues relating to party discipline; it was proposed to promote the membership campaign, the target of which will be announced soon. As for the unity of the left, they came out in favor of a single front aimed at the 1985 elections, and agreements on unified activities in the mass movement.

With regard to membership, they resolved to advocate a party of masses, which necessarily entails political organization and training. They also noted that PSUM is not a broad social organization based on demands, and hence it should not mechanically take in people participating in the struggles promoted by PSUM.

Guerrero

The State Conference on Organization was held on 11 and 12 August in Chilpancingo, with 119 delegates attending. At it, the Draft Resolution was discussed and there was passage of some motions which had to be taken to this second conference.

They came out in favor of increasing the party's members and putting the new members in rank and file organizations, which must be expanded and go out into the communities to form others, which will be better organized, appointing officials from the various commissions. Stress was placed on the fact that each one of them must generate its own finances and see to it that all its members pay dues.

At present, PSUM has a presence in 54.6 percent of the state's municipalities, and it will turn to the task of achieving a presence in the 75 municipalities comprising the state. Also at the conference, it was resolved to reinforce the State Committee by a third. In addition, a resolution was passed calling upon Federal Deputy Florentino Jaimes to turn over his per diems to the party.

Other decisions pledge to continue the agrarian struggle, to resolve land ownership, and to struggle on behalf of agrarian credit. As for the popular urban movement, particularly in the Acapulco area, the backing to the Popular Settlers Movement will be continued to counter the obstinacy of the municipal president, who has not taken their demands into consideration; hence it is up to the labor movement to intensify the support to the Autonomous University of Guerrero, and this struggle will spread to other labor movements in the state.

The conference approved the defense of the peoples of Central America against imperialism, , making an appeal to all PSUM members to seek unity of action and to strengthen the policy of alliances with the left and with democratic forces based on common accords.

Hidalgo

The State Conference on Organization took place on 4 and 5 August, in Pachuca.

At it, there was, basically, a discussion of the party's situation in the state and of its relationship with politics. They agreed to start preparing for the Third State Congress, and devising documents based on the state's socioeconomic and political situation.

Those attending the conference advocated paying greater heed to the rank and file organizations which are in isolated communities, and to promoting education courses that would foster a greater understanding among the cadres of the party documents and of the PSUM structure and policy.

The State Committee was widely criticized, and it was proposed to restructure it at the third congress soon to take place.

Since municipal elections will be held in December, it was agreed that there was a need to call upon all the democratic and independent forces in the state to arrange alliances. As for the mass movement, an effort will be made for participation in it, guiding the movement's demands, regardless of whether or not the party leads these struggles. Members will continue to be sent to the CES [Socialist Education Center].

Mexico

On Saturday, 11 August, the State Conference on Organization was held, with 70 party members attending. Marcos Leonel Posadas made an oral summary of the Draft Resolution for the National Conference, which was subsequently approved. Marcos Alvarez, the State Committee's secretary for organization, submitted a document on the party's operation in the state.

The Mexico State PSUM established as a task the construction of party organizations and the formation of 40 municipal committees, as well as the holding of the election campaign (which it has started) in at least 60 municipalities. In other instances, zonal committees will be set up in two or more municipalities, so long as the conditions for forming the municipal one are lacking. In addition, they propose to form, or reinforce, commissions of the State Committee, such as the organization, the popular urban, the labor union and the electoral commissions, and the ones for finances, propaganda, analysis and education.

As for the party's newspaper, ASI ES, they pledged to sell 1,000 copies per week, and explored the possibility of having a State of Mexico supplement in ASI ES. Insofar as the rank and file organizations are concerned, a study was made of the differences that exist between those of an urban and rural type, and stress was placed on the need to work on the formation of the OB [Rank and File Organization] secretariat, so as to make them genuine political agencies.

## Michoacan

On 4 and 5 August, the State Conference on Organization took place, with over 60 delegates in attendance. The State Committee's report underscored the inadequate party work in the state's political activity, and the slight connections among the different party agencies; but, despite this, it was agreed that PSUM had progressed with its political influence. Present on behalf of the CC was Deputy Samuel Melendrez, and chairing the State Committee was its secretary general, Leoncio Ferreyra.

The conference resolved to call municipal conferences to strengthen the existing leaderships and to construct committees where there are already members but no leadership. As for the rank and file organizations, it was proposed to revise and rearrange them, so as to direct their endeavor toward the work centers, housing developments and communities. It will be required of the local deputy, Jesus Paniagua Cornejo, who has not turned over his per diems, that he submit his power of attorney at the next plenum, and a report on his earnings as a people's representative. If he should fail to do so, procedures will be undertaken in accordance with the statutes.

Finally, three State Committee members were replaced, and a mandate was issued by the State Conference for the formation of a large commission on organization and construction to give an impetus to the party and its sympathizers, with a view toward the 1985 political confrontation, and, in general to their activity in the mass movement.

## Morelos

The State Conference on Organization took place on 12 August, with overt attendance of all the members. At it, the CC's resolution document was approved, with certain criticisms that may be summarized as follows: In view of the status of the party's problem and that of the country, there is a great inclination toward the electoral area. It is declared that, in 1985, a heavy political confrontation will occur; whereas we claim that this confrontation already exists now; rather than the electoral area, priority must be given to penetrating the popular movements and struggling on behalf of their demands.

The Morelos State Committee was reinforced. It was the opinion of this conference that there should be a continued promotion of the original plan which gave life to PSUM. They came out overtly against the movements organized inside the party.

An effort will be made in Morelos to create municipal committees all over the state. It was thought that one of the failings of these committees and of the rank and file organizations lies in the fact that the members have not been given proper political education and motivation to acquire greater consciousness of their struggle.

Finally, they pledged that their leaderships would have an increasing presence of workers and peasants, that they would develop organizational methods based

on the concrete requirements, that they would take in the new members in a responsible manner, that they would improve the distribution and sale of ASI ES and that they would give an impetus to finances as an essential means for party work.

#### Nuevo Leon

The Conference on Organization was held in Monterrey on 4 and 5 August, attended by 40 delegates. Eight comrades challenged the legality of the conference, but they were defeated by the majority. A third of the Leadership Committee was replaced. The national and state documents were approved. The main debate was on party unity.

A study was made of the meager operation of the rank and file organizations, and it was proposed that PSUM double its membership in the state. Soon, all the rank and file organizations will be called upon to hold internal elections, to replace their leadership. The effort to establish study clubs in all of them will also be intensified, on the basis of the Socialist Education Center (CES). An effort will be made to set up more rank and file organizations in factories.

The municipal committees will devise the policy for their region, and the leaderships will be replaced. In addition, the state's PSUM members resolved to hold a congress between November and December to examine the states' situation and the participation in the 1984-85 federal campaign, and to replace the State Committee. Expanded plenums of the State Committee will be held to deal with the issue of internal unity and to see to it that the party wages its fundamental struggle in the mass movement.

#### Oaxaca

The Second Conference on Organization of PSUM in the state took place in Juchitan, Oaxaca, on Saturday and Sunday, 4 and 5 August. In the presence of 53 out of a total of 83 delegates, the opening ceremony was chaired by Adolfo Sanchez Rebolledo, representing the Central Committee; Desiderio de Gyves, local deputy; Eloi Vazquez, secretary general of the State Committee; and Hector Sanchez, leader of the Labor, Peasant, Student Coalition of the Isthmus (COCEI), who is also a federal deputy.

The conference took place in this location as a sign of solidarity with the struggle of the people of Juchitan and to condemn the Mexican Government's policy and demand the restoration of democratic freedoms in this locality, as Eloi Vazquez stated. Hector Sanchez disclosed that the PRI [Institutional Revolutionary Party] deputy, "Red" Altamirano, had said that he would not allow the presence of Pablo Gomez, secretary general of PSUM, in Juchitan; because he was to blame for the situation that exists on the Isthmus. Adolfo Sanchez Rebolledo said that PSUM would not accept provocation, but that it would not waive the rights that legitimately belong to it.

At noon on Sunday, a rally was held in front of the Juchitan House of Culture, at which Pablo Gomez explained that the struggle of the people of Juchitan

and of COCEI is the struggle of PSUM; because the latter is popular and democratic, and is aimed at creating a new country. He also remarked that the government was maintaining martial law in Yuchitan, and that for this reason PSUM would struggle for the restoration of the constitutional freedoms that have now been abrogated there.

Prominent among the conference resolutions is the proposal to be submitted by PSUM to the local legislature for an amnesty law; and, internally, the delegates approved the expansion of the State Committee to better serve the party's purposes.

#### Puebla

On 11 August, the Conference on Organization took place, which came out in favor of continued construction of the party's organization, to turn PSUM into the focal point for unification of the leftist and democratic forces.

It was resolved to bring in thousands of members and to focus efforts on influencing the mass movement, particularly among industrial workers. It was also decided to create the conditions for the rank and file organization to make the training of members possible, to be directed by the single leadership, preserving internal unity as a requirement for engaging in action, practicing democracy in the party's rank and file.

There was criticism of the fact that the convocation for the National Conference on Organization did not take the rank and file organizations into consideration for its work. It was considered an undeferable act to develop a policy of alliances (without which the party would lose its profile), not only for the elections, but also as a matter of organization and an alternative.

Finally, it was decided that the finance activities should be planned, eliminating the personal working methods of PSUM's popular representatives, and adopting measures to defend the party's cadres from the systematic oppression exercised by the state.

#### Quintana Roo

The State Conference on Organization was held in two phases: on 15-16 April, and 21 June. During those days, there was discussion and approval of the CC's Draft National Resolution and the State Committee's Report on Organization. A total of 34 delegates attended the function.

At the conference, it was concluded that PSUM has two basic shortcomings: the slight understanding of the party's basic documents and political plan on the part of the rank and file and the intermediate leadership, on the one hand; and the dangerous relaxing of party discipline owing primarily to the members' meager experience, on the other.

For purposes of its development, PSUM in Quintana Roo proposed to give an impetus to the coordinated work with the Yucatan and Campeche state entities,

in order to stimulate the qualitative and quantitative development and to arrange for regional action. QR's Unified Socialists came out against the bloc policies within the party, which have caused blackmail and boycotts.

A third of the State Committee was replaced, and it was proposed to set up an agrarian policy, since three quarters of the party consists of peasants and Indians. An attempt will also be made to make PSUM's work penetrate those rendering services and engaged in popular urban work, which is still incipient. They were of the opinion that PSUM should devise a clearcut policy on tourism and for the workers in that branch of industry.

#### San Luis Potosi

On 11 August, in SLP, a meeting was held by the PSUM members, taking the place of the Conference on Organization, because the local elections had ended a week earlier. It was attended by 18 out of 40 likely delegates. At it, there was a discussion of the political situation in the state, PSUM's organizational status, and operation, the immediate tasks posed for PSUM members and the national document.

It was proposed that the State Committee organize the party, so as to turn it into an organization with a presence throughout the entire state. It was resolved to create a more dynamic leadership apparatus, to professionalize various comrades, to reinforce the intermediate leadership organs, to engage in propaganda activities and to create organizing commissions wherever the party has members for the first time.

As for the members who have enrolled in PSUM and who have no organized party existence, they will be incorporated into rank and file organizations, and their participation in the party's action and decisions will be ensured. At present, PSUM in SLP has five organizing commissions for municipal committees, attempting to cover the 56 municipalities over the medium term and to create leaderships in them.

Insofar as the mass movement is concerned, it will retain the strategy calling for workers and peasants to be members of the party leaderships, continuing to appoint the community leaders, communal land agents and labor leaders associated with the everyday problems to organize the people.

#### Sinaloa

On Saturday, 11 August, the State Conference on Organization was held with 95 delegates present. During the course of it, the Draft National Resolution and the report submitted by Audomar Ahumada, on behalf of the State Committee, were approved. There were 40 comrades participating in the discussion of both documents, in three rounds of speakers. In addition to the State Committee members, there were representatives of 13 municipal committees and delegates from rank and file organizations present.

The discussion assumed significance primarily in connection with the problems faced by the Unified Socialists in Sinaloa, seeking the means for activating

the rank and file organizations, improving the relations between the latter and the municipal committees, and intensifying the work of the State Committee.

It was resolved to convoke an expanded plenum of the State Committee after the National Conference on Organization, to discuss how to implement the decisions of the latter and those of the state entity. They also decided to convoke another conference on organization subsequently, in which a larger number of rank and file organizations would participate.

Other resolutions were those to professionalize various State Committee members, to acquire premises for the municipal entities, to publish a local newspaper and to have immediate attention paid to all the rank and file organizations by the municipal and state committees.

Another point of agreement was that for activating the commissions associated with the masses' work (labor, peasant, popular urban and the university branch), and expressing the work goals in plans, subject to evaluation and quarterly reviews.

#### Sonora

On 27 May, within the context of the Special Congress, there was a discussion and approval of a draft resolution on basic criteria for the construction of PSUM in Sonora. The congress resolved that the party's activity should be subjected to approval of the annual plans and work guidelines of the State Committee and the municipal committees.

It was stated that the activity involved in the party's construction must be aimed toward growth among the industrial and agricultural workers, paying special attention to the development of the party's influence in the state's mining and metallurgical centers, in the inbond assembly industries, and among the railroad, electrical and telephone workers, and the construction laborers.

One paragraph in this document stipulated: "The party is an organization for revolutionary struggle, and it must not be confined to merely internal activity, much less assuming a passive attitude toward the workers' problems and the political problems of the state and the country. The purpose of this organization is to contribute to the unity of the working people, the revolutionaries and the left as a whole, to seize power and construct socialism."

It was proposed that the party in Sonora organize for the 1985 elections, creating party committees in all of the state's municipalities, and devising measures for financing the party's activities (including strict payment of dues) and others.

#### Tabasco

The goals set at the Conference on Organization were those of more precisely defining the party's policy for forming a powerful revolutionary labor party of masses; defining the party's projection within the mass movement; and intensifying further still the relations with the leftist organizations. 11

also proposed to seek the unification of the people and their political organizations and to take advantage of the present situation to establish, over the short and medium term, the genuine option that will lead our country to socialism. They submitted an alternate draft resolution for the national conference.

#### Tamaulipas

The State Conference on Organization took place on 11 and 12 August. At it, emphasis was placed on a contradiction between the party's influence and political authority and the stagnation of its organization and in the number of members. To counter the foregoing, the Tamaulipas PSUM members propose to enact organizational methods that will group all the party's members into rank and file organizations associated with the community's interests; and to form municipal committees that will devise alternate programs to solve the people's problems. They also decided to improve the State Committee's relations with the party organizations, creating the conditions for achieving a greater influence of PSUM among the working class and the society as a whole.

The Tamaulipas PSUM members proposed to promote a membership campaign and set as a goal a doubling of PSUM's membership this year. It was resolved to begin an education campaign in the party as a whole as soon as possible, so that the members might increasingly master the PSUM program, positions and political line. To be added to this is the formation of a parliamentary advisory group and the programming of a group of

They approved the Draft Resolution submitted by the CC for the National Conference, reinforced the State Committee with four members, and decided to immediately promote the resolutions of the Conference on Organization and to prepare from now on for the 1985 National Conference.

#### Veracruz

There was unanimous approval for the Draft Resolution of the National Conference on Organization submitted by the CC Central Committee, and it was decided to continue the discussion of this item on the different party levels.

In the presence of 84 members from the state, and with the attendance of Arnoldo Martinez Verdugo and Miguel Angel Jimenez (members of the CC and the Political Commission), as well as Jaime Sanchez head of the statistical commission of the Organic Construction Section, the conference came out in favor of progressing with the process of unity, growth and consolidation of PSUM in Veracruz.

This progress must be made essentially in the municipalities, with a view toward the forthcoming 1985 federal elections and those of the town halls in that state. They added that the potential for a party development and the development of a socialist and democratic force in the municipalities is currently more likely in this state, because the reforms to gear the local constitution to the 1982 amendments to articles 115 of the Federal Constitution will be going into effect.

PSUM's State Conference on Organization in Veracruz also came out in favor of the policy of alliances proposed by the Central Committee and the resolutions from its Fifth Plenum, and of calling to task those deputies who have wrongfully kept party funds.

#### Yucatan

The Third State Congress was held on 4 and 5 August in Merida, with 53 delegates from the state participating. The Yucatan comrades examined the political situation in the state, as well as the problems of the party's organic construction, and elected a new State Committee (comprised of 17 comrades), the secretary general of which is Fredy Poot Sosa.

Also proposed were candidates for deputy in 15 out of the 19 electoral districts existing in the state. They ratified several slates of candidates for the town halls in that state; and, in particular, came out in favor of a broad policy of alliances that would put up opposition to the government and PAN [National Action Party] right. The editor of the newspaper ASI ES, Eduardo Montes, attended this congress, representing the Central Committee.

#### Zacatecas

The State Conference on Organization distinguished itself by its good organization. It was attended by 67 comrades representing rank and file, municipal and state organizations. The work covered the period 4-5 August and, during the course of it, the CC's summons for conferences on organization was considered very fitting, because there will be three electoral processes in that state during 1985 and 1986.

It was resolved to promote the creation of municipal committees throughout all of Zacatecas. The Draft Resolution for the National Conference on Organization and the report on PSUM's organizational situation in the state were analyzed and approved; the latter having been submitted by Raymundo Cardenas, PSUM secretary general in the state. And the work reports of the PSUM council members in 17 Zacatecas municipalities were reviewed.

It was proposed to create municipal committees in those locations in which certain rank and file organizations already have a presence, such as Calera, Sombrerete, Rio Grande, Jalpa, Jerez, Tlaltenango, Loreto, Juchipila and Concepcion del Oro.

Also regarded as vitally important to the party's development was its growth among the communal farmers, miners and agricultural workers, focusing immediate attention on membership and territorial growth in the municipalities and electoral districts.

2909

CSO: 3248/20

## CLOUTHIER, COINDREAU GUBERNATORIAL CANDIDACIES ASSESSED

Mexico City PROCESO in Spanish No 409, 3 Sep 84 pp 22-24

[Article by Fernando Ortega]

[Text] Manuel J. Clouthier and Jose Luis Coindreau, PRI [Institutional Revolutionary Party] candidates for governor of Sinaloa and Nuevo Leon, "would keep applying the same economic policy but at least they would be a guarantee of honesty and the reestablishment of democracy," according to Juan Sanchez Navarro and Jorge Sanchez Mejorada, ideologists of the private sector. They began the trend of businessmen participating in politics. They also warned that the shadow of PRI ghosts who fear the loss of power falls on Clouthier and Coindreau.

They will accuse them of trying to turn economic power into political power when, in the first place, the government has the greatest economic power and, in the second place, big business, the heads of important groups, will oppose Clouthier and Coindreau. A false confrontation between the rich and the poor will again appear in which they will try to identify the latter with the PRI.

However, Jorge Sanchez Mejorada, former president of CONCAMIN [Confederation of Industrial Chambers] and the CCE [Business Coordinating Council], acknowledged that Clouthier and Coindreau's political activity is a response to the government's displacement of private initiative. "They are independent and their concerns stem from the business philosophy that believes in free enterprise."

"It is possible they strive for class or sectorial interests so they use social unrest. This is permissible since it is a situation caused by the terrible results of the last two administrations."

After holding various positions in the Sherwin Williams Company and in the Mexican electrical industry and having been general director of Conelec, Sanchez Mejorada is now a small businessman, owner of a travel agency. He stated that the political movement of the businessmen is a small movement because "to our misfortune, the great majority continues to be apathetic about politics."

In spite of the fact that, with Clouthier and Coindreau the private sector seeks to exploit the popular unrest and stop the spreading nationalization, he recognized that "collusion between big business and the government persists."

Therefore, the former is not involved in politics and, in exchange, the latter does not interfere in business. It is a balance that is explained by the mutual benefits they receive and the fact that they believe in the system. I can give you a long list of names of those who will never do anything if they do not have the blessing of the government.

Juan Sanchez Navarro, former president of CONAMIN and the Coordinating Committee for International Activities of the same initiative, today Cemai, is a prominent businessman. He is president of the Inter-American Industrial Group, Industrias Oxy, Brown Beveri Mexicana, owner of Mexico, the Cerveceria Modelo of Guadalajara, vice president and director of the Cerveceria Modelo at the national level and adviser to Minera Mexicana, the Minera-Mexico industrial group, Transportacion Maritima Mexicana and Ferrocarrilero Mexico, among others.

In his opinion, it is possible for the groups of economic groups to oppose the political adventure that Clouthier and the others would represent. "However, there might be doubt deep in the hearts of the businessmen tied to the PRI. They say: After all, nationalization of the economy has speeded up in recent years; who knows if our participation has been adequate. In other words, they will question if participation has yielded the results that the businessmen themselves want."

Interviewed individually at their own businesses, Jorge Sanchez Mejorada and Juan Sanchez Navarro felt that the social unrest lies in the middle class. Although they acknowledge that the conservatives have advocated revolutions, they stated that such a change no longer exists in Mexico.

Both have a special concern for the stability of the country. Sanchez Mejorada said: "The people are afraid. The Mexican people are afraid of anything unless they hang two or three well-known people on a gallows. Cruelty is widespread. We are waiting for someone else to start a revolution. The Mexican no longer goes along easily. Society is in a state of confusion."

Juan Sanchez Navarro said: "The crisis has helped make this society corrupt. I believe we still have immorality. In order to begin a renovation and a change. Mexico is a very patient people that will know how to wait for the results of difficult and long processes. We are living under now. The Mexicans are going to have to suffer a lot. If there is no electoral honesty, we will have greater corruption than created by the crisis now."

The former business leader said: "The PRI has given the country great social stability." However, Sanchez Mejorada explained, "it has been rotting recently. The PRI was able to keep the political bosses with institutions but, with the passage of time, it became the biggest creator of bosses in our country, whatever the name of the republic or whatever."

Presidentialism is the first problem of the political system. Sanchez Navarro said: "Presidentialism has been consolidated under each regime. That is a serious problem. The system of government which is the game of three branches is not played in Mexico. The balance in the other

branches to the executive branch. I worry as much about the legislative branch as the judicial branch, at times the judicial branch more than the legislative. A subordinate judicial branch weakens the action of justice which is the social element of the political function."

It is precisely because of the harsh and aggressive attitude of the government against private initiative, especially after the bank nationalization, that business leaders are equally hard and rigid. Sanchez Mejorada said: "Those who hurl themselves into the political fray renounce their business organisms and act as citizens. If there is one person independent in this world, it is the businessman. These are the people who are used to giving orders, not receiving them. Obviously, they cannot be separated from the sector they come from since basically what they defend is free enterprise."

Sanchez Navarro explained that Clouthier and Coindreau's decision is the result of the crisis and also the result of the fact that they themselves are natural leaders, mainly in their states. Some PRI members have said that Mexico is experiencing a dangerous reinforcement of the right. In reality, what is happening is "a reinforcement of the discredit into which the party has fallen and also the economic crisis that the mistakes of the past regimes created for the country."

He was surprised that the PRI was shocked by the minor victories of the opposition in city halls and deputations. "The reaction is as if it meant the death or decline of the government party. This denies the plurality to which the official statements have referred. In countries of great democratic development, not imperfect democracy like ours, the federal government frequently has a counterbalance in the local opposition governments."

Evidently, he said, the PRI fears that the domino theory applies to it. If one domino falls, the rest will. "It is childish to think that by losing a city hall or even a governor's seat, the PRI would disappear or suffer a very harsh blow. The PRI could continue to be the dominant party for a long time if power is exercised with not only a correct policy but an honest one."

He recognized that the government was at a crossroads: it must either harden or apply democracy which would mean eventually going out of power. "I think the real alternative the PRI has is to be a good government."

He said: What I would like is for the independent majority currents to be respected. "We still experience the difficulty of putting into practice the principle of 'real suffrage, not reelection.' If there is no electoral honesty, the political crisis would deepen and then we would have very serious social unrest. I hope this is not revealed in violence which could mean revolutionary processes."

However, he felt that we still do not have these phenomena. He maintained that we do not live in the time of Porfirio Diaz. However, he stated that in the last 50 years unrest due to the economic situation has been more noted than in past times.

"Revolution is always the product of an enlightened minority. In Porfirio Diaz' time, that minority found the ferment necessary to produce the revolution in the vast inequality and social injustices. That popular support does not exist now, especially because it is felt that the crisis is temporary, passing.

"Of course, passing is a very broad term. We do not know how many years because the politicians and the economists make mistakes when they stipulate the time that a crisis will last. But it is a passing phenomenon. We cannot live permanently with inflation or under regimes in which the standard of living of the workers and the peasants will always be low as is happening at this time because of austerity."

Sanchez Navarro felt that it would not help the system at all to criminally try Jose Lopez-Portillo for the mistakes and abuses of his administration. It would be like putting the system on trial. "It would break the basic rules that have lasted more than half a century already and would mean hara-kiri. To try the president of the republic would be inconceivable in Mexico within our current political situation. The government is making efforts toward honesty although the man in the street, with some exaggeration, demands that all the past administration be tried."

To him, renovation and change must take place through respect for moral standards and complete respect for private property. "Corruption is the complete absence of propriety, family, the principles of coexistence and what must be done is make them flourish again."

However, electoral frauds persist. These not only disrupt the order of daily coexistence but also political life. "A major part of moral corruption in society has its origin in political corruption."

Jorge Sanchez Mejorada felt that great statesmen are those who have known how to control themselves. "That has nothing to do with the excesses we have seen recently. I believe that society has a lot of the blame because it is the same society which has stopped rewarding the professor emeritus to flock to the one who has money and power." The people who have economic power have a lot of responsibility in this to the degree that they agree with the system.

He said that there are many businessmen who are blind. "Until the day before nationalization, the bankers believed that everything was settled in talks with the president and the ministers. Therefore, I am happy that people of moral value like Clouthier and Coindreau get involved in political activity."

He does not believe that it is possible to try the previous administration, especially Jose Lopez-Portillo, because it would not be good for the country. "If I admire one thing about the Yankees, it is the Watergate scandal. When President Nixon did something illegal, he was removed from office. If he would have recognized his mistake, nothing would have happened but he lied and he fell from office. However, he did not take any money with him. Unfortunately, we do not have this type of setup in Mexico. If this occurred in Mexico, it would be a serious blow to the system. There would be many things to consider:

the complete discredit, acts of ingratitude and ungratefulness, flight of foreign currency, etc."

In his opinion, the leftist political parties do not offer anything to the Mexicans in spite of being very active in demonstrations. "They only offer one thing: for all of us Mexicans to be poor. That is why I do not like socialism. I do not believe in economic equality. I believe in inequality as to human worth. I believe in equality of opportunity. I believe that everyone must be given an education. Failure results precisely from an attempt at economic equality because it wipes out all human motivation of the individual. It ends motivation and then comes mediocrity."

At the beginning of this administration, Sanchez Mejorada formed an association called RECIO [Organized Citizen Renovation]. This caused a great scandal because it was considered a party of businessmen. "It was not that. It did not interfere in the struggle for power but rather tried to mobilize the citizens to watch over and punish the acts of their representatives. We did not even try to get registered under the LOPPE [Federal Law on Political Organizations and Electoral Processes]."

He soon gave up in this task because he found that the people were afraid.

It will be very difficult for Clouthier and Coindreau to win the election. However, "I am happy with those respected, upright, good people who are interested in political aspects." There are many people who would not join the opposition because it is condemned to failure. "Even if the PRI invited us tomorrow to participate as candidates, these people would run. At best I would be one of them because I do not like to lose."

7717

CSO: 3248/25

## CHURCH FIGURES EXPRESS VIEWS ON MARXISM, LIBERATION THEOLOGY

### Cuernavaca Bishop on Predecessor

Mexico City UNOMASUNO in Spanish 20 Sep 84 p 2

[Text] Cuernavaca, Morelos--The bishop of the Cuernavaca diocese, Juan Jesus Posadas Ocampo, said today that his mission is not to destroy the Christian actions of his predecessor, Sergio Mendez Arceo, but to reinforce them and channel them for the common good.

At the same time, he pointed out that the Catholic Church does not propose to carry out partisan activities to overthrow the political power but to help the needy with the help of evangelization, not proposing a stark, abstract ideal outside of spiritual history.

"In the midst of a people who have suffered and continue to suffer humiliations, pain, disappointment and injustice--where morality is often lacking--the church has the commitment to contribute to the total human development in equity and justice," he added.

At the same press conference, on announcing some of the activities in the diocese in connection with the celebration of the 50th anniversary of the priestly ordination of Mendez Arceo, Bishop Posadas Ocampo admitted that there is a plurality of ideas within the church although he explained that "they are a reality, however, they do not depart from the guidelines prescribed by the Vatican. There are clergymen with positions of the Left or of the Right, nevertheless, they remain circumscribed within the reality of the pope of the church."

On the other hand, a document distributed to the press points out that those who speak about conflicts between the church of the people and the hierarchical institutional church are "wolves in sheeps' clothing" who sow discord and seek to divide the Kingdom of God for its destruction.

Finally, Posadas Ocampo spoke against those who see a way to improvement with the eyes of Marxism.

### Corripio Rejects Liberation Theology

Mexico City EXCELSIOR in Spanish 23 Sep 84 pp 6-A, 37-A

[Text] Veracruz--Cardinal Ernesto Corripio Ahumada declared that the Catholic Church rejects any Marxist theology such as the so-called "theology of liberation."

He stated that the people who support that line are misguided about the true Christian precepts.

He maintained that many of the social problems actually have their origin in the doctrines of the Marxist type, for which reason the Catholic Church opposes them.

"The discussion about the theology of liberation by the church has been completely spent inasmuch as the superior ecclesiastical authorities have already issued a document in which they term that doctrine heretical, which, furthermore, it condemns," he pointed out.

On the other hand, Corripio Ahumada said that he condemns the participation of the members of the Catholic Church in the political life of the country and clarified that some are civic acts and others, partisan, which must always be differentiated.

"If the political constitution says that we religious must not mix in matters of party politics, we will do so, but we Catholics must struggle for fraternity," he said.

The prelate also condemned international terrorism because it has caused many victims in the world and because many of their actions are not in accord with the Christian gospel.

"Men must come to an understanding by reason and not by terror," he concluded.

### Liberation Theology Defended

Mexico City EXCELSIOR in Spanish 26 Sep 84 p 27-A

[Text] Guadalajara, Jalisco--Parish priest Jose Alvarez Franco, removed from the priesthood on charges of belonging to the Unified Socialist Party of Mexico (PSUM) defended the theology of liberation against the condemnation of the Catholic Church and declared that the latter indeed is based on the Marxist analysis of society.

He declared, furthermore, that the clergy in the country are being led toward a type of elitism but he warned: "There are still those who help the poor."

He remarked that because of the lack of updating of the Catholic Church and its failure to advance with the times, many Protestant sects are taking advantage of that situation; they arrive in the country and gain followers quickly.

Cardinal Ernesto Corripio Ahumada, he said, described the theology of liberation as the creator of war but it must be remembered that "Christ fought to liberate an oppressed people."

The priest is currently negotiating to have his suspension as a priest lifted by the ecclesiastical authorities, after having been separated in April 1983, charged with party activities.

8711

CSO: 3248/27

ST. MAARTEN FINANCIAL SECTOR DEVELOPMENT

Willemstad ANTILLEN REVIEW in English Sep-Oct 84 pp 19, 22-23

[Excerpt]

The occasion was both splendid and significant. Among the many guests were the Governor of the Netherlands Antilles, the Dutch Minister of Antillean Affairs and a score of wellknown faces from the financial world. The party's setting in a picturesque alley, dressed up like a side-walk café in front of its *raison d'être*, could not fail to make the night a success. But the conclusion to be drawn from what the evening stood for, the official inauguration of CITCO's new St. Maarten offices, indicates a much more lasting and successful development for the island itself.

Only a few months earlier Dr. Claude Wathey, St. Maarten's undisputed political leader for more than thirty years, addressing a seminar of the International Tax Planning Association, announced that the island's government policy was directed at promoting St. Maarten for Off-Shore banking purposes. A 17 million guilder telephone expansion programme, he said, was underway in order to create an adequate infrastructure. CITCO's setting-up offices in the island, which is probably the most booming tourist resort in the Caribbean, shows his government policies to be successful. With CITCO, PIERSON, HELDRING & PIERSON, DE NEDERLANDSE CREDIET BANK and a number of smaller trust companies established on the island, St. Maarten is rapidly developing into an international financial centre.

CITCO

The stylish opening of the new offices also signifies a rapid development of CITCO itself. During the past five years the renowned trust company established offices in Tortola (79), Amsterdam and Rotterdam (80), New York (82) and Panama (83).

On September 15 CITCO will open up yet another new office, this time on St. Thomas one of the U.S. Virgin Islands. Already established in Curaçao and Aruba the company will then be active in eight different locations, but what is much more important, in a number of different jurisdictions. Rumors that this spread of activities in particular in the Caribbean region signals a shift of accent from Curaçao to elsewhere were denied by CITCO officials. The company's headquarters in Curaçao is expected to see an increase of work with regard to technical and administrative assistance required by the subsidiaries on the above mentioned islands.

Hong Kong

Dr. Claude Wathey, who officiated at the opening on St. Maarten, used the opportunity to announce another promising development related to the off-shore business. "In recent months", he said, "much time has been spent working on yet another source of income and stability for the island". Mr. Wathey proceeded to inform his listeners about ongoing negotiations with a Canadian based Finance Company with strong ties in Hong Kong,

which might lead to substantial investments by Hong Kong businessmen in a so-called Permanent Residence Investment Programme. In a conversation with A. R. Dr. Wathey explained that a considerable part of the estimated US \$100 million would be earmarked for housing projects. The programme would provide the Hong Kong investors with legal residence and travel documents. In spite of recent assurances given by mainland China with regard to the future status of Hong Kong many businessmen in the British colony see a need for establishing residence elsewhere.

Obviously happy to make this positive announcement, Mr. Wathey mocked the other islands, in particular Curaçao, which is planning to send a rather large delegation to Hong Kong to see if any business can be attracted, when he said: "it is well-known that no one simply walks into Hong Kong and finalizes business of the magnitude that we are talking about. Without contacts only the cuisine of Hong Kong can be sampled, not its business! As far as St. Maarten goes, Mr. Wathey certainly had a point: its carefully built up contacts in the world of international finance are beginning to pay off.

CSO: 3200/4

PRT MAKES RECOMMENDATIONS ON SCHOOL OF AMERICAS

PA011754 Panama City LA PRENSA in Spanish 30 Sep 84 p 10A

[Communique issued by the Revolutionary Party of the Workers, PRT; date, place not given]

[Text] PRT Has Always Condemned the Torrijos-Carter Treaties

The PRT denounced the counterrevolutionary, neocolonial and anti-Panamanian nature of the Torrijos-Carter treaties before they were ratified and has continued to denounce them since their ratification. Those treaties were imposed on the people through a joint effort on the part of U.S. imperialism and the reformist government of General Torrijos. The PRT has also condemned the fact that the treaties, which were harmful to our country, were made even more detrimental through entangling reservations, conditions, and notices introduced by the U.S. Congress and Law 96-70--a Yankee regulation that expanded and deepened the huge burden imposed by the pacts.

In spite of this, once the treaties were formally implemented, we stated our decision to demand compliance with their decolonization aspects, since these aspects represent historic achievements secured by the Panamanian people on the lengthy road of national resistance in defense of the fatherland's sovereignty. In this regard, we have stated that we are firmly and resolutely committed to adopting a vigilant attitude in favor of the national heritage.

No to the School of the Americas

For this reason, the PRT and the nation's patriotic and democratic forces have greeted with pleasure the return to the national territory of significant portions of land and waters of the former canal zone, installations in the ports of Balboa and Cristobal, and railroad installations, as well as the dismantling of the U.S. judicial and police system because this represents the satisfaction of important aspirations in the struggle for improving the Panamanian state.

It is curious that now that an effort has been made to implement the agreement on the "notorious" academy for Latin American dictators and killers, the "School of the Americas," the commercial sector of the dominant groups comprised in the Chambers of Commerce of Panama and Colon have come out with economic arguments to oppose the closing of this school that prepares the enemy of the people.

In their "arguments" they appear to ignore the fact that the reversions that have been achieved thus far as a result of the Torrijos-Carter treaties have represented heavy expenditures for Panama since the installations are greatly deteriorated and depreciated. To this we should add the high operational costs that are not subsidized as they were in the past. Therefore, over the 7 years that the treaties have been in effect, the Panamanian people have had to face high costs to be able to exercise their rights. It should not be forgotten that in some cases the Panamanian people have received trash and almost obsolete equipment. This is the case with the ports and the railroad.

In other words, this economic argument is totally unfounded. What is obvious is that the merchants demand that the operation of the school be extended. They sympathize with the current warmongering policy that has infested Costa Rica and Honduras with military bases and strategic sites and that, at the same time, has almost made the Caribbean basin part of the U.S. territorial waters in the effort to suffocate the liberationist movements on this part of the continent. It is clear that the opinions of the "peddlers" in Panama and Colon are geared toward supporting the U.S. intention of maintaining the School of the Americas as part of its regional system of antipopular terrorism and geopolitical involvement.

#### Sovereignty Is Productive

Although our people's will carries the resolution that our Octavio Mendez Pereira once expressed by saying that we could "eat sovereignty" if necessary, we must point out that perfecting our independence could be a source of progress and well-being, especially if the determination to construct a sovereign destiny involves the use of productive economic structures that are guided by self-sustained reference points that are promoted by Panamanians' general interest.

#### No to the Disguised Extension of the School of the Americas

Lately, although President Dr Jorge Illueca said that the School of the Americas would be transferred to Panamanian jurisdiction and would be administered by the Defense Forces, their commander in chief has made statements that we consider suspiciously ambiguous. Most revealing of all are his statements that the school will be converted into an "institute for development and defense," which has a meaning similar to the proposal made by the former archreactionary commander of the national guard, Ruben Dario Paredes, in his shameless submission to the Pentagon gorillas.

In response to this possibility, we would like to state that we most firmly reject any proposal similar to the coarse "paredist" reactionary strategem, which would dare to suggest successors to the school, because this would be an appropriation of the sacred patriotic rights won by the people's blood-stained struggle and heroic efforts, which cannot be ignored by military schemes that depend on the White House.

## A Latin American Simon Bolivar University by All Means

In a diametrically opposed manner, we propose that the gorilla school be converted into a university of peace. We propose that it be transformed into the Simon Bolivar university for peace, production, and the liberation of the peoples of our America so that it will become a symbol of the struggle and the solidarity of our peoples, who are struggling for sovereignty and self-determination. It would be maintained with funds from the Latin American nations, excluding U.S. imperialism. It would be a monument to liberty and the national dignity of Latin America.

CSO: 3248/76

FDN OFFICER NOTES U.S. COMPLIANCE WITH TREATY TERMS

PA092318 Panama City CRITICA in Spanish 8 Oct 84 Special Supplement p 6

[Interview with Lieutenant Colonel Bernardo Barrera, chief of the Defense and Security Commission of the National Defense Forces, FDN, by unidentified reporter--date, place not given]

[Excerpts] Question: What do you feel have been the major achievements of the Joint Committee and Combined Board since the Torrijos-Carter treaties went into effect 5 years ago?

Answer: I feel that the major achievement by the military organization has been to establish a serious and mature relationship with the U.S. Armed Forces based on mutual respect.

In order to fulfill its task of defending and protecting the Canal, the FDN began participating in combined military exercises with small combat units. Subsequently, we become involved in the theory and planning of the military exercises.

Another Combined Board achievement has been the signing of agreements such as the Exchange of Classified Military Information Agreement, which lets us obtain sensitive information in order to fulfill the duty entrusted to us.

Joint Committee

This body is charged with regulating the legal status of the U.S. Armed Forces in Panama and administering the defense sites and military coordination areas. In order to accomplish the former we must apply and interpret the Agreement in Implementation of Article IV of the Panama Canal Treaty. Obviously, the difficulties that are normal in any kind of negotiation arise. However, in the Joint Committee the mutual cooperation and understanding that allows both forces to fulfill their chief task of protecting and defending the Canal has prevailed.

The Joint Committee's Land and Waters Subcommittee has made possible an early transfer of many buildings and land, which have been assigned to public and private agencies.

Question: Why isn't the United States obeying the treaties with regard to purchasing services and products? What is the Joint Committee going to do about that?

Answer: Indeed, the U.S. Armed Forces have been complying with the treaty as regards the purchase of goods and services that can be obtained from Panamanian sources. Our statistical information shows that the U.S. Armed Forces must increase those purchases that benefit the local economy and that are part of the indirect benefits from the treaties.

Question: In what specific ways will Fort Gulick be used once it is turned over to Panama and how does it fit into plans for the year 2000 as far as the defence of the canal is concerned?

Answer: The Executive Branch assigned the Fort Gulick area to the FDN by Resolution No 81 of 31 July 1984. The fort will become a military training center to be called the Black Christ Military Training Center where we will relocate all of the FDN training centers that are currently dispersed throughout the country, such as the Tomas Herrera Institute, the Intelligence School, the ACAPOL [Police Academy], the Frog Men's School and others. In that area we will also concentrate all of the FDN workshops that make soldiers' and the policemen's individual equipment such as caps, Sam Browne belts, and so forth. Both measures will reduce FDN expenses for those activities.

On the other hand, Fort Gulick has the infrastructure needed for the FDN to professionally train to assume exclusive responsibility for the protection and defense of the Panama Canal. The fort could also be used as a center for the exchange of military technology with other Latin American armies and even with the U.S. Army. For that reason, the General Staff has not ruled out the idea of creating a center for higher military training in that area.

CSO: 3248/76

MILITARY POLICE CHIEF EXPLAINS GROUP'S FUNCTIONS

PA092332 Panama City CRITICA in Spanish 8 Oct 84 p 7

["Special supplement" interview with Captain Manuel Sieiro, chief of the Panamanian Victoriano Lorenzo 5th Infantry Company of Military Police; questioner not identified—date, place not given]

[Text] Question: Captain Sieiro, what are the functions and duties of the Military Police?

Answer: Our functions and duties are extensive and broad. Nevertheless, I will stress the most important ones. While the Panama Canal treaties are in effect we must fulfill its provisions. We must also enforce military regulations, orders, and laws. This empowers us to arrest deserters, guard and administer military prisoners, and handle military prisoners and civilian prisoners. At the same time, we have the mission of controlling traffic (in zones of combat or convoys), directing the movement of individuals, providing security to the assigned military installations and operations, and fighting as light infantry, whenever the situation requires it.

Question: Will the Military Police increase its force to cover the security and defense of all of the canal area in the year 2000?

Answer: Along with a total increase in the Defense Forces, the organization of a Military Police unit within the infantry battalions is planned. Its mission will be to satisfy the needs previously mentioned.

Question: How are relations between the Panamanian and U.S. Military Police with regard to the development of the responsibilities they have been given by the Torrijos-Carter treaties?

Answer: To date, relations between the two Military Police are excellent because there is constant communication between the commanding officers which leads to a better development of our joint functions and coordination at the middle and lower levels that execute the orders from the respective commands.

CSO: 3248/76

BRIEFS

EDUCATOR, REPORTER TO PRC--Agustin Del Rosario, director of the Department of Communications of the University of Panama's School of Communications, and radio reporter Jose Montano have travelled to the PRC in response to an invitation by that government. [Summary] [Panama City LA REPUBLICA in Spanish 28 Sep 84 p 5 PA]

RICE EXPORTED TO NICARAGUA--Penonome--The Cocle Province director of the Agricultural and Livestock Marketing Institute has said that the local mill is exporting 10,000 quintals of rice to Nicaragua. [Summary] [Panama City LA REPUBLICA in Spanish 2 Oct 84 p 23 PA]

UNESCO AID FOR 1984--UNESCO has approved an \$80,000 fund for education, agriculture and livestock, and cultural programs in 1984. Javier Bonagas, coordinator of the Education Ministry's International Relations Department, said this will be of great benefit to the country's development. [Excerpt] [Panama City LA REPUBLICA in Spanish 3 Oct 84 p 3 PA]

CSO: 3248/76

DAILY OUTLINES FOOD SUPPLY PROBLEMS, SUGGESTS SOLUTIONS

Lima EL COMERCIO in Spanish 28 Sep 84 p D-1

[Text] Following are the principal conclusions of the report which EL COMERCIO has been publishing from 29 June until yesterday on Lima's food supply. During this period of time, this vast and complex topic has been explored from a variety of angles, through information collected in the field, analysis, interviews with consumers, producers, and experts, both from the private sector and from a number of government agencies.

In general, we can say that one of the principal conclusions we have reached is that the consumer is a victim of the system governing the production, distribution, and sale of food, since, as the final link in this circle, he is the one who pays the price set on any product in the market; his problems are followed by the situation of the farmer who is distrustful and at times feels abandoned because he must deal with middlemen who sometimes operate as illicit entities.

This is the first report of the conclusions:

Nutritional Limitations

Problem 1: Because of disorders in sales and the limited effect of supervision by government officials, families every year spend more on food and eat less, since price increments on foods are larger than the inflation and devaluation indices officially reported by the National Statistics Institute.

Suggestion: The authorities should comply with the standards in force (and there are many) or issue others, so that the purchase price the consumer pays will be regulated and will not exceed the devaluation index.

Problem 2: The average prices of products included in the "family food basket" in relation to the worker's average income show that people are eating less or less well, since there is a gap between the worker's nominal income and real income.

Suggestion: Health, agriculture, and municipal officials should guide the population through programs helping them to "learn to eat well," preferably by using low cost, high-protein foods produced in Peru.

Problem 3: The number of children suffering from malnutrition is increasing.

Suggestion: Establish multisector coordination mechanisms to teach parents the basic fundamentals of nutrition, so that distortions in spending can be corrected. For example, more money is spent on soft drinks and liquor than on milk, despite milk's lower cost and high nutritional value.

#### Food Production

Problem 1: Statistics show that production of major food items has been stagnating in the past 10 years, and in some categories has even declined, although demand--spurred by population increases--has risen.

Suggestion: Agricultural production and productivity should be increased by providing improved technical assistance, and the agricultural frontier should also be expanded.

Problem 2: The farmer produces less because he receives no technical aid, and he lacks confidence because of constant variations in agricultural protection and development policies, as has been shown throughout this report.

Suggestion: The availability of technical aid and continuity of policies should be ensured, so that the farmer will have the confidence he needs to invest and expand his production.

Problem 3: 70 percent of our food production is in the hands of small farmers, who receive little technical aid.

Suggestion: The ministry of agriculture should become more closely involved with farmers.

Problem 4: The farmers do not have information on consumer needs and production essentials. This constantly causes imbalances, leading to huge losses.

Suggestion: The information system should be improved and work should be done to rationalize the farmer's production.

Problem 5: The farmer has difficulty in mechanizing because of a lack of continuity in equipment programs, such as the exemptions program. These programs help few users because of this lack of information, organization, and financing.

Suggestion: Spur the mechanization of agriculture through representative farmers groups, and on an individual basis as well, under the supervision of government agencies to guarantee the quality of the equipment.

Problem 6: Agricultural materials and resources are distributed and sold through a number of channels, so there is a wide range of prices.

Suggestion: The farmers should have access to materials and resources. The government agencies which sell them should serve as regulatory entities and not act as competitors.

#### Marketing System

Problem 1: Metropolitan Lima suffers from both its wholesale and retail food marketing systems, since the infrastructure is obsolete and the shortage of supply centers generates an artificial price increase.

Suggestion: Accelerate the construction of the "Santa Anita" wholesale market which will serve as an orderly supply center for the Lima population.

Problem 2: Because of marketing problems, food prices increase between 200 and 300 percent during their trip from the field to the middleman, and by over 300 percent between the middleman and the consumer.

Suggestion: Replace the present defective marketing systems with model plans promoted by the state, along with a self-sustaining effort to abolish traditional habits and customs.

Problem 3: 60 or 70 percent of the food sold in Lima is handled at small market stalls and by street vendors, while many established market spots remain vacant. This is caused by the unfair competition of the informal market.

Suggestion: Market construction, involving the participation of informal markets as well, should be supported, and food sales on the street should be regulated in order to protect public health.

Problem 4: There is a lack of connection between the food producers (on small farms) and the city food sales system, because of the necessary presence of middlemen. This generates a disproportion in prices, so that the farmer earns less and the consumer pays more.

Suggestion: Encourage producers to organize, to limit the presence of middlemen and rationalize sales, by means of systems such as the proposed regional markets network of the Wholesale Markets Enterprise and the Purchasing Plan.

#### Imports

Problem 1: Until last year, Peru had a constantly growing increase in its food imports. According to both Peruvian and foreign experts, this was excessive, for it harms our agricultural development, is out of proportion with our balance of trade, and hurts our economic projections.

Suggestion: We have the conditions needed to cut imports, not only through the decreased consumption of imported foods, but also through the promotion of production of these foods in Peru. In the case of wheat, for example, we could reduce imports by 1 million tons a year, as bread could be made with barley.

Problem 2: The disorderly imports of some materials for foods has caused some sectors to collapse. This has happened with our milk-producing regions, whose product (milk) must compete with evaporated milk, whose materials reach our markets aided by subsidies.

Suggestion: We should limit our imports to what we really need; we should avoid exaggerations that hurt local production.

Problem 3: Our native farmers, even with the right conditions and the ability to produce many of the foods that we are now importing, refrain from doing so because domestic prices do not offer suitable profit margins. They prefer to concentrate on crops that are classified as agroindustry.

Suggestion: The tariff barriers restricting the purchase of agricultural machinery, irrigation equipment for small and mid-sized programs, fertilizers, and improved seeds should be lowered.

PETRO-PERU PRESIDENT PROMOTES INVESTMENT, EXPLORATIONS

Lima EL COMERCIO in Spanish 28 Sep 84 p A-3

[Text] "If our current petroleum legislation were made more flexible, so that in new operating contracts the recovery of costs and investments plus reasonable earnings inversely proportional to the increase in production were guaranteed, that would create an attractive climate for investments in Peru."

This comment was made yesterday by the president of PETRO-PERU [State Petroleum Agency], Dr Fernando Zuniga y Rivero, in speaking of the prospects for our national petroleum industry.

Concrete Actions

He emphasized the necessity of encouraging and facilitating petroleum investment, both public and private, through specific actions ensuring the large amount of financing that will be needed during the coming years (\$800 million to \$1 billion a year).

He explained that only the new contracts which PETRO-PERU signs may have modifications made in their specific terms, but said they will always remain within the distribution system used for petroleum production.

He added that the application of the cost recovery system will help to improve this situation, without changing legislation, and it will provide greater benefits for Peru.

Attracting New Investors

In general, by applying these points, we could be competitive on an international level, and would be able to attract new and larger investors.

Elsewhere in his report, he said that the total average investment in Peru's petroleum industry during the past 10 years was \$430 million a year. This is far below the desirable level which, as we said earlier, ranges from \$800 million to \$1 billion a year.

He added that the average investment in exploratory activity during the same period was only \$101 million a year. And if we consider the exceptional year of 1975, that figure declined to \$68 million during that year.

#### Practical Solutions

Zuniga y Rivero cited the need to seek practical and realistic solutions, and he called for all interested parties to participate.

He noted that historically PETRO-PERU has been responsible for 25 percent of our petroleum investment and 33 percent of our nation's petroleum production. The rest is handled by foreign and some national contractors.

On this topic, he said that PETRO-PERU's own financing capability will enable it to cover a similar percentage of the investments required in the future (\$200 million a year), and private venture capital will have to provide the rest (from \$600 to \$800 million a year).

#### How to Attract Investments

On this point, the president of PETRO-PERU recalled that the position of the international petroleum industry has changed radically since the last OPEC crisis.

However, local conditions have not adjusted quickly enough to this new situation (noncompetitive compensation, especially for small oilfields; additional losses caused by tax problems; and slow and cumbersome approval procedures).

All this, he said, leads us to the risk of losing our foreign investments.

He spoke emphatically, agreeing that Peru does not offer very competitive conditions on an international basis, and discourages exploration of its smaller fields.

One way of attracting investment, he said, would be the use of a cost recovery system.

He said that the current system provides a fixed compensation for the contractor, while the proposed system would ensure the recovery of costs and would grant earnings inversely proportional to production.

#### Incentives and Disincentives

Exploration of the smallest fields (high cost exploration) is discouraged by the current system, which provides good profit incentives for exploration of larger fields (low cost exploration). The proposed system, however, would encourage the exploration of all fields, by providing uniform and reasonable profit levels.

On the topic of more flexible petroleum legislation, he said that the contract approval procedures should be simplified; the tax problems of current contractors should be resolved; and in new operating contracts, cost and investment recovery plus reasonable earnings should be guaranteed.

7679

CSO: 3348/18

## FORUM FOR PRIVATIZATION OF STATE ENTERPRISES TO BE HELD

Lima EL COMERCIO in Spanish 29 Sep 84 p A-15

[Text] The 46 state enterprises, which a draft bill already approved in the senate recommends be returned to the private sector, have a net worth of approximately 500 billion soles, according to an advance release of the study prepared by ESAN [School of Business Administration] to be discussed at the forum on the State's Management Role and Administration to be held Monday at the Continental Bank auditorium.

### Negative Fiscal Year

The document says that 26 of those enterprises had a negative balance in the 1982 fiscal year, accumulating losses of 50 billion soles.

In addition to returning the 46 enterprises to the private sector, the bill recommends a reduction of state participation in 50 others.

The ESAN study makes a complete analysis of the number, relative size and groups, as well as of major categories as to size and profitability. It then recommends that debate on the future of state enterprises should be focused on what to do so that the enterprises are administered efficiently, rather than on a discussion of how many and which enterprises should be returned to the private sector.

It asserts that the most important enterprises (16, with 90 percent of the total net worth) are and apparently will remain the property of the state, even for political groups with the most liberal ideology.

### Questionable Position

To discuss only the return of enterprises to the private sector is to fix attention on those that account for 4.3 percent of the net worth. Continuance in state hands is questionable.

On the other hand, it adds, the problems of those enterprises that account for 90 percent of the net worth must not be forgotten.

The study notes that the rapid growth in the number and size of state-owned enterprises over the past 2 decades has not been accompanied by appropriate development of institutional and technical mechanisms that permit organized management.

It says that in addition to serious problems that arise in the administrative systems, the policies on prices, tariffs and financial management generally are not very satisfactory.

#### Questions

The study submits the following questions for consideration at Monday's forum:

Is rationalization of the state's management activity the primary reason for returning enterprises to the private sector or is it to help finance the budget of the republic?

How much could be obtained if they were sold?

Would private businessmen be interested in purchasing such enterprises?

Under what conditions?

Can the 26 enterprises showing losses be sold?

Does the private sector have sufficient resources to buy them?

Should the return to private ownership be employed to promote widespread stockholding?

What criteria were used to select the 26 enterprises?

According to the ESAN study, the state owns 174 enterprises, whose net worth at the end of 1982 amounted to 18 percent of the gross national product (2.8 billion soles). That net worth amounted to 13 percent in 1976 and 8 percent in 1972.

Based on net worth, the most important enterprises are owned by Electro-Peru, with a value of 805 million soles (28.7) of the total state ownership, at 1982 prices.

It is followed by Petro-Peru with 215 billion; then the enterprises of Electro-Lima with 199 billion; of Minero-Peru with 192 billion and of Centromin with 141 billion.

9926

CSO: 3348/34

## MANUFACTURING DROPS DURING FIRST SEMESTER

Lima EL COMERCIO in Spanish 30 Sep 84 p A-12

[Text] This country's manufacturing output over the first 6 months of the year dropped 3.9 percent compared with the same period last year, according to statistics of the Ministry of Industry, Tourism and Integration contained in the Industrial Bank of Peru (BIP) monthly report.

The decline is significantly lower than for the same period of 1983. The result has been obtained in terms of the performance of the index of real volume of manufacturing output, with 1979 as the base.

The levels of investment thus far in 1984 are estimated at 721 billion in current soles, rising 239 percent in relation to the previous year. Total reinvestments amount to 688 billion soles, or 301.5 percent more than last year. However, the number of enterprises that made reinvestments was lower.

The BIP report says that employment in the industrial sector is uncertain, tending to decline this year, showing a difference of minus 12 percent in relation to last year.

Overall labor conflicts in the first quarter of 1983 decreased 14 percent compared to the same period in 1983.

Regarding industrial electric power consumption, the BIP notes that thus far this year it has climbed 6.8 percent over the same period in 1983, mostly in enterprises in the fields of intermediate goods.

Regarding the index of real volume of industrial output, the largest decline occurred in the nonmetallic minerals industry, where ceramics and porcelain ware production was affected the most because of a sharp construction work slump in the private sector.

The bank's report adds that food, beverage and tobacco industry production declined 10 percent.

The subsectors showing a positive trend during this period were the paper, printing and publishing industry; the basic ferrous and nonferrous metals industry; and the fishmeal industry.

## BANK STUDY PREDICTS INCREASE IN GROSS DOMESTIC PRODUCT

Lima EL COMERCIO in Spanish 5 Oct 84 p A-13

[Text] If the production levels for the first 6 months are maintained with seasonal adjustments, the PBI [Gross Domestic Product] would grow 2.48 percent by the end of the year, according to the Central Planning Office of the BIP [Industrial Bank of Peru] in its latest report which contains economic projections up to December 1984.

It added that the fishing sector would grow the most, 62.1 percent. Other economic sectors like agriculture and mining would grow more than 3 percent; however, manufacturing would only grow 0.8 percent. The only sectors that would drop in production would be construction and government.

The accumulated rate of inflation would be at least 103 percent, expecting an average price increase of 129.1 percent. This depends to a great extent on the decisions and handling of economic policies that are adopted in the last quarter of this year.

The BIP study also stated that, based on the official exchange rate observed, the minimum devaluation expected would reach 99.4 percent and the average by the end of the year is expected to be 128.4 percent. It should be mentioned that, in both cases, there would be a lower rate of devaluation than rate of inflation. This could result in the official exchange rate being less than 4,596.21 soles per dollar and not more than 5,186.26 soles by the end of the year.

The rate of the CBME [Bank Certificate in Foreign Currency] would increase at least 105.4 percent and could reach 134.9 percent. The rates of growth in both cases are higher than inflation which would cause a difference of about 3 percent between the official exchange rates and the CBME.

Also the monetary reserves of the country would total some \$856 million by December 1984 which means that a total of \$113 million will be lost in the second half of 1984, approximately the amount of interest on the unpaid debt due.

## Economic Projections

The BIP economic projections up to December 1984 take into consideration that the rates of growth of the PBI, calculated by the Central Reserve Bank for the

first half of the year and not seasonally adjusted, reflect the behavior expected for the entire year at the overall level as well as the sectorial level.

Based on this, the BIP projects the following growth by economic sector:

Overall PBI, 2.4 percent; agricultural-livestock sector, 4.8 percent; fishing, 62.1 percent; mining, 3.8 percent; manufacturing, 0.8 percent; construction, -2.5 percent; government, -0.5 percent; others, 2.5 percent.

Source: Economic-financial report, first 6 months of 1984, Planning Division, Economic Studies Area

The BIP bulletin noted that the projections for prices and the exchange rate are based on the inflation/devaluation spiral. A price increase automatically influences the CBME. On the other hand, devaluation affects business costs and then prices with a delay of 1 month.

Also the price increase is affected by the level of liquidity, affects the aggregate demand and reflects the deficits of the public sector. This means a constant increase of prices controlled by the state.

#### Minimum Inflation Rate

However, the level of reserves inversely influences the rate of exchange of bank certificates. The delay is 3 months since it first affects the official exchange rate and, second, the CBME.

The factors that would contribute to an acceleration in the inflation rate at the end of the year are: a strong growth in liquidity (between June and July it increased 26.2 percent) and an acceleration in the rates of devaluation which is already observed in the bank certificates. This would be accentuated by a drop in reserves for the rest of the year.

The BIP study added that, if the official rate of exchange remained at the rate of devaluation of the CBME for the rest of the year, devaluation for the second half of 1984 would be 35.1 percent which would make the average official exchange rate for buying and selling 4,999.73 soles per dollar. Then it is estimated that the devaluation rate for the year would be 7.6 percent. The average exchange rate for buying and selling as of 31 December would reach 5,186.26 soles per dollar.

Finally, the BIP technicians added that, based on the above figures, the inflation rate for the current year would be between 103 percent and 156.8 percent. This would mean a devaluation of between 105.4 percent and 165.5 percent for the CBME and an official exchange rate at the end of the year of between 4,228.21 and 5,809.07 soles.

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12: 1149/11

SPANISH TV AIRS TERRORISM DOCUMENTARY; AMBASSADOR PROTESTS

Lima EL COMERCIO in Spanish 1 Oct 84 p A-9

[Text] Preceded by unusual publicity, Spanish television carried on its 11 pm news service on Wednesday a 1-hour program on terrorism in Peru.

Takes were shown of persons eating garbage, persons killed by terrorist action and a number of dramatic and horrendous scenes depicting Peru as if it were a battlefield, with everyting negative imaginable.

The disclosure has been made by two Spaniards who have seen the program and arrived in our capital.

They were Eugenio de la Rosa and Luis Elizondo Estrada, both of whom have lived in Peru 25 years, are married to Peruvians and have many children.

They consider themselves to be Peruvians, and for that reason were surprised and concerned by the broadcast of the program which, in their opinion, was prepared maliciously.

During their talk with reporters at Jorge Chavez Airport, they showed a letter of protest signed by Peruvian Ambassador Miguel Mujica Gallo, which was published by Madrid newspapers.

De La Rosa and Elizondo are trying to obtain videotapes of the program so that it can be shown in Lima.

Horrible scenes can be seen, they say, which implicate the police and the army.

Interior Minister Luis Percovich also appears, although briefly, denying such events.

The program causes fear and forces many tourists from France and Spain--the Spanish news program can be seen in France--to cancel their trip to Peru because they believe that everything here is a battlefield.

The aforementioned program does nothing but confirm the negative propaganda that is made about Peru in some European countries.

The takes are arranged in such a way that the viewer is made to believe the worse, commented the informers.

The program was aired after 3 days of intense publicity and at the time of the largest European audience for news services.

9925

CSO: 3348/34

PERU

PERCOVICH: TERRORISM, FOREIGN INTERFERENCE, POLICE PROBLEMS

Lima CARETAS in Spanish 9 Oct 84 pp 28-31

[Interview with Interior Minister Luis Percovich by Gustavo Corriji Ellembogen; date and place not given]

[Text] [Question] Has Shining Path grown stronger or weaker since you have been in office?

[Answer] I think that we have to approach the problem by comparing the magnitude of the subversive onslaught last year with what is happening this year. If we take a look at the incidents during 1983, we can cite some examples of the magnitude of subversive activities. One was the fire at the Bayer plant; then there were two attacks on the Popular Action building, and also the attacks on police installations in Lima. Although it is true that the Interoceanic Bridge and some CENTROMIN [Central Peruvian Mining Enterprise] facilities have been blown up this year, subversive activity has not been as extensive as last year.

[Question] Do you really think that Shining Path has been weakened?

[Answer] Yes, in terms of the magnitude, the violence of the attack that it launched in the past. What is happening is that because of the crackdown, because of the counteroffensive action in certain areas, many of its people are leaving for other regions of the country.

[Question] Are you talking about the Upper Huallaga, Lima Norte?

[Answer] The army is operating there, and we feel that its presence is important and that once its operations are completed, it will turn over the area in better shape than when it received it.

[Question] Through you the government has on several occasions stressed that there was foreign meddling involved in the Senderista rebellion. It has also stressed the link between terrorism and other trafficking. Yet so far no solid evidence has been brought forth. Do you have any?

[Answer] I don't think that anyone can doubt that the subversion here draws its inspiration from a foreign ideology, obviously from Marxism-Leninism...

[Question] So in mentioning foreign meddling you were talking about the inspiration of an outside ideology?

[Answer] You seem to have your doubts.

[Question] It's just that with the possible and debatable exception of your own party, almost every ideology has outside sources. Take the PPC [Popular Christian Party], with its Social Christian ideology, for example.

[Answer] Inspiration from an outside ideology is not harmful when it is developed within the bounds of democracy, not subversion and murder.

[Question] There is democratic Marxism. Right here in Lima we have a Marxist mayor, elected by the vote of the people.

[Answer] Nevertheless, no one can doubt that the communist strategy, as set forth in its many international events, is that every communist party must have an armed wing operating in the underground. This is not something I'm inventing; it's contained in the resolutions of the congresses that the Communist Party has held. Among many other gems, they state that every communist organization must have an armed, underground branch ready to act when the time comes.

[Question] What you are implying is that Sendero is that armed branch?

[Answer] No. Not at all. Sendero calls itself the Communist Party of Peru. So this sect is one of the various expressions of international communism. Now then, it could be that the communist groups operating within our democracy have links with some underground organizations, but no one can be sure of this until it happens. I am thinking about the roots and the relationship between violent groups such as Pukallacta and Huaccaycholo.

[Question] So you don't think that there can be a democratic, legal Marxism?

[Answer] I think that there can be innocent Marxists. But what we would have to look into is whether the directives that international communism sends out can be ignored by all Communist parties.

[Question] You mention international communism. What are you referring to, a movement headquartered in Moscow?

[Answer] Headquartered in Moscow and with Maoist influence.

[Question] Maoism in Moscow, Dr Perceval?

[Answer] No. What I mean is that Marxism-Leninism's methods are influenced by Maoism. Marxism-Leninism was born in Russia and got its modus operandi, its method of action from China. This is the method that movements such as Sendero have taken up.

[Question] Well, perhaps we had better leave the volatile field of ideology. Is this, then, what you are calling foreign meddling?

[Answer] Not just that. We feel that there is outside interference when, for example, subversive actions are reported overseas with a clear intent to create a negative image of the country. We hold the foreigners who do this, not governments responsible.

[Question] Are you talking about the news stories that appear in Western newspapers?

[Answer] No. I'm talking about the pamphlets that are circulating overseas and that reproduce the distortions of the local yellow journalism.

[Question] But the concept of foreign meddling usually refers to more substantive, more serious things than the distribution of pamphlets by fringe groups...

[Answer] But this is just an indication, what is visible. Underneath there is much more serious action going on.

[Question] If we view foreign meddling aimed at promoting terrorism as indirect aggression, as warfare by proxy, what nation or nations do you hold responsible?

[Answer] We cannot hold the governments of these or those countries responsible. We are indicating that a large number of people who are involved in subversive activities have left and are still leaving for Russia mostly and other countries and have received ideological indoctrination there. The governments are not responsible. At least we cannot say so until the proof is there.

But I am deeply concerned about and see no logical justification for the large number of scholarships that the Soviet Union awards every year to Peruvian youngsters. And a good many of these scholarships are granted not through the regular channels of INABEC but by a Peruvian-Soviet selection committee.

[Question] And you advocate doing away with this...

[Answer] If there is no convincing explanation of the type of education being imparted, then the government will at some point have to intervene. Professionals, technicians, fine. Subversives, no.

[Question] Do you think that the Soviet Union is supporting a radical Maoist movement that it regards as a closet traitor to Marxism and even accuses of taking part in the battle against subversion in Ayacucho?

[Answer] No. But the generosity of those scholarships still surprises me. I don't think that the Soviet Union's economy is that strong that it can afford to give 600 scholarships to every one of the countries in the Third World. And that is more or less how many it grants to Peru.

[Question] But the Soviet Union has also given scholarships to police and military commanders. Do you perhaps find that more understandable?

[Answer] I do not object to scientific, technical, professional training. But what we have to look into are the scholarships that are offered for political purposes.

[Question] Then this is the proof of foreign meddling...

[Answer] No. Just a minute. This is not proof; it just represents a concern that merits an appropriate investigation.

Foreign meddling is this entire campaign to discredit the country overseas. This latest program from Spanish TV, for example, obviously and completely distorted what is happening in Peru, and I don't know why.

[Question] Taking this same approach, do you also think that the press reports (and I'm not talking about yellow journalism) of human rights violations during the struggle against subversion are destructive, distorting?

[Answer] No. I don't think so and I have said many times that I have the greatest respect for the press that reports accurately and constructively. But there are also media that are constantly apologizing for terrorism and extolling the merits of criminals. These publications deserve neither respect nor consideration. The others do, and they help us to take corrective measures, to rectify mistakes and to put a stop to excesses.

[Question] Why have organizations like Amnesty International been accused of being communist fronts? Your ministry specifically did so, even though it was acting out of line. Why wasn't there an official investigation of and response to the charges that Amnesty leveled? Do you feel that its efforts to bring illegal excesses to light might in some way run counter to Peru's interests?

[Answer] I think that when organizations or individuals collect but do not bother to verify purported evidence that turns out to be false and that when they are not responsible enough to admit their

mistakes, then they do not merit respect from the authorities. This is the case with Amnesty. We have looked into some of its charges. I have here an initial document from Amnesty International that mentions 41 cases that are completely unfounded. If a document from an organization that you feel deserves our consideration and respect portrays leftist propaganda as fact, then I don't think that it warrants a favorable judgment from us.

[Question] Don't go by what I say. Go by what the people who gave Amnesty International the Nobel Peace Prize say. It is true that Amnesty has been wrong more than once, and CARETAS has pointed this out. But I also understand that it submitted its charges in advance to the government and that in response the president tossed them into the garbage can. In short, do you still regard Amnesty International's activities as negative?

[Answer] No. What I do regard as negative is when charges are not investigated responsibly before they are made public, because in the court of world public opinion, charges need only be made to be considered a hundred percent truthful.

[Question] What do you think of the views that General Cisneros voiced on human rights and the counterinsurgency?

[Answer] They are personal opinions. General Cisneros is retired and has no political responsibilities either. As a private citizen he can voice whatever views he deems pertinent; we do not share them.

[Question] Leaving aside the attempts at political distortion and the propaganda by certain political groups, don't you think that serious and alarming excesses have been committed in the struggle against the Senderista uprising?

[Answer] There have unquestionably been instances and situations in which excesses have been committed. What we do not accept is the portrayal of these excesses as government policy. What we have seen are excesses stemming from the violence that is going on in the central highlands. In every war, conventional or unconventional, such situations regrettably occur.

[Question] Are they inevitable?

[Answer] They must be investigated and punished. This is what my ministry has done repeatedly. It did so in the Nunflo case, and it is also doing so, with the utmost severity, in the Socos and Oropesa cases.

[Question] In recent months, however, there have been very serious charges that, if they prove true, would indicate that quite a bit more than circumstantial excesses are involved. Don't you think that there is an underlying problem here, that Peruvian democracy

has so far not struck the balance needed to battle the Maoist uprising with methods that are compatible with the law and with respect for human rights?

[Answer] I think that this is what we long for, what we desire. And the proof is not just to be found in police or military force but also in the work that this administration is doing to solve economic and social problems in the emergency zone.

[Question] General Huaman would not seem to agree with you.

[Answer] I think that General Huaman should have restricted himself to the military role that had been assigned to him and not make remarks that we demonstrated were untrue, with clear and compelling figures.

[Question] Huaman was the political-military commander.

[Answer] Yes, but he should have made remarks that were in keeping with what was actually being done. His remarks showed that he was somewhat unaware of the efforts that the government was and is engaged in, amid a very difficult economic situation. In addition, of course, the violence in the area prevents the benefits of the projects and investments we have undertaken from reaching the people. I think that we will be able to appreciate the magnitude of the efforts when the central highlands have been pacified.

[Question] The problem is how they are going to be pacified.

[Answer] With the methods that the law prescribes. There are no other methods. Any action outside the law can only be regarded as an individual, sporadic action, stemming from the problems that every nation in a situation similar to ours has suffered. To a certain extent they are inevitable, but they are neither the policy nor the responsibility of the government.

[Question] So you feel that those who engage in such excesses should be brought to trial?

[Answer] This is what we are doing. I repeat. The Oropesa case, the Socos case (in which 26 members of the police forces are on trial) are examples. It so happens that many charges are also being leveled without the evidence that would enable us to call for a trial.

[Question] Does the government investigate these charges?

[Answer] It has to. There are no orders or directives banning investigations.

[Question] Is an investigation being conducted in the case of the mass graves that were found in Pucayacu?

[Answer] The political-military command is supposed to conduct it and then report to the appropriate level of government.

[Question] On a personal level, Mr Minister, how do you feel about your own performance in office? Don't you think, for example, that more energetic measures at the right time could have prevented several of the cases of police indiscipline?

[Answer] Unquestionably. The problem is that this is an unusual office that you become familiar with only through experience. In any event, we have proceeded with total dedication and the utmost responsibility.

[Question] Have you felt in recent days that there has been some loss of respect for your office?

[Answer] As minister, I personally have felt no loss of respect for my office. The people who must have felt a loss of respect for their offices are the superior directors of the police forces who have direct subordinates.

[Question] I'm mentioning this to you because when the populist deputy Ernesto Gamarra spoke up not long ago in his chamber to demand the immediate resignation of the superior directors of the Civil Guard and the Republican Guard, he indicated that what they had done, among other things, issuing communiques without the approval of your ministry, showed a lack of respect for the office of minister. Do you feel that way?

[Answer] No. Because the ministry's rules state that the only individuals empowered to release information on developments within police institutions are the superior directors of the police forces, in addition to the interior minister, who can report in the manner he deems most appropriate. Therefore, when the superior directors issue an opinion, it is because they have prior authorization to do so.

[Question] So then you authorized the communiques of the Civil and Republican Guards?

[Answer] Not specifically. Our internal regulations state that the only persons empowered to issue opinions are the superior directors of the police forces, when some police-related incident within their area of responsibility takes place. But when the communique was released, we called in the superior directors and discussed with them the inadvisability of releasing communiques that are not supported by documents based on specific, proven facts.

[Question] On 28 May, the papers printed statements of yours in which you indicated that the stories about the lack of police discipline were falsehoods invented by certain newspapers. Has anything changed your opinion?

[Answer] What I have pointed out is that the lack of police discipline exists on an individual basis but that you cannot generalize and claim that the institution as a whole is undisciplined. As charges are made and the facts become known, responsibilities are established and individuals are punished. This does not mean either that we have been able to apply penalties in every case, because often, due to a lack of information or misplaced esprit de corps, we have been unable to establish the culpability of those who have been involved in such incidents. However, the council of ministers has now passed a supreme decree setting forth regulations on relations between institutions. We had been trying for some time to come up with just such a mechanism, but unfortunately, because of disagreements among the police bodies, we were unable to. After seeing the kinds of things that have been happening recently, however, the institutional commands have now accepted the need to act in accordance with this legal instrument, which will take effect immediately.

[Question] But do you think that the problem is one of regulations or even organizational laws?

[Answer] No.

[Question] Existing organizational laws are for the most part clear as to a definition of functions, and yet things happen that have nothing to do with areas of responsibility; they involve rivalries that often border on the sordid.

[Answer] Yes...I agree that it is not just a question of legal mechanisms. It is a question of leadership and personnel training. It is a general problem that we are trying to resolve through new organizational laws, new regulations and strong warnings to those who are responsible for maintaining discipline. I have spoken at length with the members of the Joint Command about this issue, and we agree that not only do we have to issue new organizational laws but we also have to overhaul, to reorganize the police forces. This, of course, involves laws that will have to be passed in due time.

[Question] Do you feel that you have handled this problem well? Don't you find grounds for self-criticism?

[Answer] I find grounds for self-criticism because if there had been much more efficient and constructive cooperation from some of the institutional commands, better results could have been achieved.

[Question] Could you cite a specific case in which the institutional commands failed to cooperate?

[Answer] I think that the commanders of the Civil and Republican Guards could have shown much more energetic leadership and established stern discipline.

[Question] Are you talking about both General Balaguer and General Nino Rios?

[Answer] They are the superior directors.

[Question] Yet they are still in their posts. Is this the kind of self-criticism you would engage in?

[Answer] On the one hand, it could be self-criticism, but on the other we also have to consider that a public official tries to take corrective measures and alter leadership styles, command styles to achieve better results. Unfortunately, when you take stock, you might find that what you have done has not been as constructive as you would have wished.

[Question] And what about police corruption? Don't you think that it is a factor in this massive outbreak of indiscipline among the police? Don't you think that indiscipline among lower- and intermediate-level personnel reflects an alarming level of corruption among the higher-ups?

[Answer] I am not in a position to talk about corruption among top-level personnel because I have no evidence or proof that it exists. But there is obviously corruption at certain levels of the police forces, and we are punishing these people, dismissing them from the force and handing them over to regular or special courts, as appropriate. The statistics shows what we have done. In 17 months, 700 people have left the three branches for disciplinary reasons; 2,200 have been turned over to special courts, and 2,800 to the regular courts for various infractions of the law. So, we have taken as vigorous action as we can. But we are interested in improving the ethics of the entire sector. A team of 30 officials from the Office of the Comptroller General of the Republic is currently at work in the Interior Ministry. They have been auditing the three police forces, Public Health and the ministry itself, at the request of my office

8743

CSO: 3348/44

IU MAYOR ACCUSES POLICE FORCES OF ABUSES

Lima EL DIARIO DE MAPKA in Spanish 23 Sep 84 p 24

[Excerpt] Over 300 Sinchis from the Civil Guard have occupied the Civic Center of the Cora Cora district since last July, and have converted it into a military headquarters.

The Sinchis, an antirsubversive unit of the Civil Guard, have spread terror throughout the tranquil and picturesque district of Cora Cora in Parinacochas province, Ayacucho department. It is located adjacent to Arequipa, and is outside the zone declared to be in a state of emergency.

The IU [United Left] mayor, Carmela Florencia Acuna, who came to Lima several days ago, said that she intends to file a complaint with parliament and with the public ministry about the human rights abuses and violations that the Sinchis have committed against innocent men and women.

She reported that the Sinchis came to Cora Cora at the end of last July, using the pretext of combatting Shining Path, which several weeks earlier had made incursions in this district.

Since that time the Sinchis established a general headquarters there, unleashing an escalating wave of repression. The population is terrified by this police repression. Every night the Sinchis conduct violent searches of houses and arrest innocent people, trying to link them with Shining Path members, said the mayor.

She indicated that on 14 July, a guerrilla commando group entered Cora Cora and rescued 13 of their members from the police station, and burned the headquarters of the Bank of the Nation and of CORDE [expansion unknown] in Ayacucho. "That was all, and they have never come back," she added.

Nonetheless, she added, since the Sinchis came, they have never left, and they are constantly harassing the town officials by obstructing their work.

## ARMY PROMOTIONS LIST SPECULATED

Lima OIGA in Spanish 8 Oct 84 p 5

[Text] Army Promotions

More than one of our readers must have fallen out of their chairs last Monday when they saw the list of army promotions that we published. It said that 36 brigadier generals were up for promotion to major general and that 8 colonels were to be promoted to brigadier general. We accidentally reversed the numbers, which we admit made us look bad. But since every cloud has a silver lining, the obligation to rectify this whopping mistake led us to investigate our sources more carefully. This enabled us to come up with a more accurate table of the officers who have been proposed for promotions; it appears below. An asterisk indicates the colonels and brigadier generals who are most likely to earn their new stripes in 1985, unless Congress rules otherwise.

To Major General  
**A GENERAL DE DIVISION**

| Branch<br>Arma | Name<br>Nombre            | Class<br>Promoción | Year of<br>Año de<br>retiro<br>Retirement |
|----------------|---------------------------|--------------------|---|
| Inf.           | Macha Bardales Adolfo     | San Martín         | 1985 Dbre.                                |
| Art.           | * Ríos Vallejos Rodolfo   | Alfonso Ugarte     | 1986 "                                    |
| Cab.           | * Malatesta Sebastia Juan | Alfonso Ugarte     | 1986 "                                    |
| Art.           | * Araujo Vera Ismael      | Alfonso Ugarte     | 1986 "                                    |
| Ing.           | * Briceño Zevallos Raúl   | Ramón Zavala       | 1988 "                                    |
| Cab.           | * Cárdenas Caro Lorenzo   | Ramón Zavala       | 1988 "                                    |

To Brigadier General  
**A GENERAL DE BRIGADA**

**Infantry**

**Infantería**

|                            |                   |      |   |
|----------------------------|-------------------|------|---|
| Gil Jara Juan A.           | Joaquín Inclán    | 1991 | " |
| Hernández Ramos Carlos     | Arias Aranguéz    | 1987 | " |
| * Patiño Flores Luis       | Ramos Zavala      | 1988 | " |
| * Bustamante García Víctor | Belisario Suárez  | 1989 | " |
| Lagos Castellares René     | Isaac Recavarren  | 1990 | " |
| * Mori Orzo Wilfredo       | Ricardo O'Donovan | 1992 | " |
| * Hermoza Ríos Nicolás     | Ricardo O'Donovan | 1992 | " |
| Salinas Sedó Jaime         | Roque Sáenz Peña  | 1993 | " |
| Briceño Vizcarra Luis      | Isaac Recavarren  | 1990 | " |
| Martínez Garay Felipe      | Belisario Suárez  | 1989 | " |

**Artillery**

**Artillería**

|                         |                   |      |   |
|-------------------------|-------------------|------|---|
| Revilla Gamero Augusto  | Joaquín Inclán    | 1991 | " |
| Ames Espinoza Aníbal    | Belisario Suárez  | 1989 | " |
| Murray Benavides Walter | Ricardo O'Donovan | 1992 | " |
| Injoque Rivera Román M. | Joaquín Inclán    | 1991 | " |
| * Sarmiento Lazo Juan   | Arias Aranguéz    | 1987 | " |
| Guevara Romero José     | Isaac Recavarren  | 1990 | " |

**Cavalry**

**Caballería**

|                          |                   |      |   |
|--------------------------|-------------------|------|---|
| * Rabanal Portilla Jorge | Ricardo O'Donovan | 1992 | " |
| * Alvarez Peralta Manuel | Joaquín Inclán    | 1991 | " |
| Luperdi González Carlos  | Belisario Suárez  | 1989 | " |

**Engineering**

**Ingeniería**

|                            |                    |      |   |
|----------------------------|--------------------|------|---|
| Bendezú Montoya Luis       | Belisario Suárez   | 1989 | " |
| * Sánchez Azabache Floreal | Isaac Recavarren   | 1990 | " |
| Palomino Rodríguez Luis F. | Roque Sáenz Peña   | 1993 | " |
| Pastor Vives José Gabriel  | Mariano Bustamante | 1994 | " |
| * Mora Rengifo Rafael      | Isaac Recavarren   | 1990 | " |
| Villanueva Pajares Rafael  | Joaquín Inclán     | 1991 | " |

**Communications**

**Comunicaciones**

|                              |              |      |   |
|------------------------------|--------------|------|---|
| Santivañes Villalobos Alvaro | Ramón Zavala | 1988 | " |
|------------------------------|--------------|------|---|

**Quartermaster Corps**

**Intendencia**

|                       |                |      |   |
|-----------------------|----------------|------|---|
| Sánchez Ortega Miguel | Arias Aranguéz | 1987 | " |
|-----------------------|----------------|------|---|

**Medical Department**

**Sanidad**

Paccini Virhuez Ricardo

Scarsi Valdivia Pedro

**Judge Advocate General's Department**

**Cuerpo Jurídico Militar**

Carneiro De Bernardi Luis Joaquín ■

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CSO: 3348/44

## BRIEFS

**FRG LOWERS COUNTERPART REQUIREMENT--**Trujillo, 3 Oct--The FRG government has agreed to Peru's request to reduce the national counterpart of the investment in the Gallito Ciego dam for the Jequetepeque-Zana project from 50 percent to 38 percent, according to President Fernando Belaunde Terry here in Trujillo. He announced this during the solemn session of the provincial council where Mayor Luis Santa Maria declared him "Illustrious Guest." Belaunde said: "This is eloquent proof of the justice of our request." He indicated that the previous proportion of 50 percent in German investment and 50 percent in national counterpart was too hard on our country. [Excerpt] [Lima EL COMERCIO in Spanish 4 Oct 64 p A-4] 7317

**CHINESE JOURNALISTS VISIT NEWSPAPER--**Representatives of the Xinhua news agency in China visited EL COMERCIO yesterday. Yang Jiaxiang, general assistant editor and general manager of the agency, Wang Shuhai, the Lima correspondent, and other members of the news agency visited this publishing house. They met with our directors, Dr Alejandro Mira Quesada Gavilán and Dr Alejandro Mira Quesada Juan. [Text] [Lima EL COMERCIO in Spanish 4 Oct 64 p A-4] 7318

**AYACUCHO DEVELOPMENT TO INCREASE--**The budget for Corde-Ayacucho which was about 17 billion soles this year has been increased to 47 billion soles for 1965, according to Dario del Pozo, prefect for that troubled department, yesterday. In statements at the Jorge Chavez International Airport before returning to his district, he indicated that the government has thus intensified its support for development projects in the emergency zone of Ayacucho. After pointing out that there is now calm in Ayacucho "which demonstrates the effectiveness with which the Political-Military Command of the emergency zone has acted," he listed the projects that have been accomplished this year. He said that a number of health, housing and agricultural projects have been carried out for approximately 12 billion soles, part of the budget of 17 billion soles allocated for Corde-Ayacucho this year. He also explained that 10 billion soles have been invested in extending the electrical network between the cities of Cuzco, Huancayo and Ayacucho. These and other projects should be inaugurated next year. He indicated that projects for rural and livestock development may be carried out with an allocation of 1.5 billion soles in the coming year. [Text] [Lima EL COMERCIO in Spanish 29 Sep 64 p A-1] 7319

NEW AERO-PERU PRESIDENT INSTALLED--The new president of Aero-Peru, Dr Alberto Pescetto Labbe, took office yesterday, in a ceremony during which he pledged to work to develop the national airline. Pescetto said he will attempt to revive and strengthen the company on a national and international basis. The outgoing president, Carlos Velarde Cabello, introduced his successor to the airline's executives and employees. [Text] [Lima EL COMERCIO in Spanish 26 Sep 84 p A-8] 7679

CIVIL GUARD PROMOTIONS FORESEEN--Reliable sources in the Interior Ministry have shown OIGA a list of the candidates for promotion to lieutenant general and general in the Civil Guard. The rundown looks like this: To lieutenant general: Generals Hernan Alzamora Garcia, Raul Pareja Gutierrez, Juan Romero Sanchez, Carlos Barreto Bretonche, Carlos Rodriguez Tirado; to general: Colonels Daniel Villafuerte Jurgens, Maximo Vega Zavala, Daniel Retamozo Roca, Benjamin Quea Velaochaga, Victor Livia Villavicencio, Isaac Dumet Echeverria, Antonio Gil Arbildo, Heli Flores Alegria, Leonardo Demartini Salas, Felix Tumay Tordoya, Eduardo Ruiz Botto, German Rivero Castro, Carlos de la Torre Aparicio, Victor Alva Plasencia; to general of the Civil Guard Judge Advocate General's Department: Col Jorge Lopez Zapata. [Text] [Lima OIGA in Spanish 8 Oct 84 p 20] 8743

CSO: 3348/44

AD PARTY COMMEMORATES 43D ANNIVERSARY

Caracas EL UNIVERSAL in Spanish 13 Sep 84 pp 1-12

/Text/ Today on its 43d anniversary, the Democratic Action Party /AD/, faces three challenges: to support the government and exert influence on fulfilling its campaign promises, to try to prevent a growing erosion of its public image and to win the fight for the presidential candidacy in 1988.

While this may seem to appear easy in theory, it is a difficult and complicated task because of the nature of the various factors involved.

The first challenge--support for the Jaime Lusinchi administration and participation in order to fulfill the promises made to Venezuelans in the campaign of 1983--related directly to the issue of party-government relations.

On that point, to date nothing has been written in Venezuela, and there are a number of examples of difficulties that have affected the party as well as the executive.

Under the administrations of Raul Leoni, Carlos Andres Perez and Luis Herrera Campins, there were several noteworthy ruptures in those relations.

Under the Leoni regime, a deep split also occurred which gave rise to the People's Electoral Movement.

Under Carlos Andres Perez, there were strong disagreements with a party faction led by Romulo Betancourt.

During Herrera's administration, Calderism registered divisions from the very beginning of the constitutional period. At times Caldera acted like an opposition leader, and other times he defended official decisions.

Now, 7 months into the Lusinchi administration, there are those in AD who advocate guidelines for promoting communications between the party and the government.

A few weeks ago, leaders like Luis Pinerua Ordaz, Carlos Canache Mata, Juan Jose Delpino and Antonio Rios expressed public criticism of the economic policy.

Their opposition view revolved mainly around the establishment of compensatory measures for the working class.

Tense moments were recorded, and a meeting was held between President Lusinchi and the National Executive Committee /CEN/ of AD at La Guzmania, and the situation has returned to normal.

Nevertheless, another meeting is planned for an indepth discussion of party-government relations.

Also, the AD Commission on Legal Reform is preparing a document which may include a chapter on that topic, done by Luis Pinerua. The meetings between CEN and President Lusinchi at La Casona have not been held with the same frequency as during the 5-year administration of Carlos Andres Perez, that is, weekly; but the chief executive communicates frequently with members of the so-called AD "core."

Relations between the party and the government will naturally have a great deal to do with the performance of all official responsibilities, with the platform presented by the president during his campaign, and ultimately, with the results of efforts in the social and economic areas.

Much of the above depends on the ability of the party to keep up its popularity levels with the electorate.

#### Internal Situation

The public support that AD is able to keep alive during the next few years will depend on the internal situation in the organization and the conduct of its leadership.

The process of reorganizing party leadership should begin during the first 4 months of 1985, culminating in September or October. This process will involve discussions which will include militants from the bottom ranks all the way to the very top and everything in between.

In recent years, AD has projected a pragmatic image with little deliberation on ideological problems. This failure is more obvious among the youth. Internal struggle will therefore be safely limited to competition for positions within the party machinery.

Already there is also activity among candidates for the post of secretary general in all departments. At the national level, the candidacy of Manuel Penalver for re-election as secretary general remains firm. Marco Tulio Bruni Celli has entered the race for that post but has not succeeded in attracting much support in spite of his efforts. And although Alejandro Izaguirre several months ago rejected suggestions from Carlos Andres Perez, Luis Pinerua Ordaz, Carlos Canache Mata and David Morales Bello to enter the race against Penalver, his name continues to be mentioned. Furthermore, several people maintain that Izaguirre will prepare his platform shortly to begin campaigning in January or February 1985.

If the elections were held today, Penalver would win re-election easily. Nevertheless, some believe that his initial level of support has changed.

This change may be due to the influence of sectors of the government on the party machine and has occurred particularly after attacks by the executive Trade Union Bureau against members of the economic cabinet. The committee has reiterated its support for the re-election of the secretary general.

The Bureau has reiterated its support for the secretary general's re-election.

CEN has banned public discussion of candidacies for posts in the party leadership as of 1988, but campaign-related activities are clearly noticeably within the organization.

#### Bureaus

Antonio Rios aspires to re-election as national secretary to the unions. Federico Ramirez Leon, Pedro Brito, Carlos Luna, Sotero Rodriguez and others similarly are quite open about their ambition for that post.

Meanwhile, the chances of Juan Jose Delpino continuing as the president of the Confederation of Venezuelan Workers /CTV/ seem to be increasing, and as a result, the fight for union secretary may become tougher.

Antonio Ledezma and Luis Rondon are the strongest contenders in the race for head of the Youth Bureau, a post presently held by Domingo Alberto Rangel.

Juan Ramon Rengifo and Eustasio Guevara are in contention for the post of secretary of agriculture.

Jose Agustin Zapata gives indications of wanting to challenge Homero Parra as the secretary of professionals and technicians, but other names are also starting to emerge.

#### The Biggest Fight

On another front, Carlos Andres Perez, Luis Penerua Ordaz, Carlos Canache Mata, Octavio Lepage and David Morales Bello are toying with the idea of seeking the nomination for chief of state in 1988.

Until recently, there were observers who saw former President Perez as a man who as not rulling out the possibility of running only because he wanted to preserve his enormous influence with the AD masses.

This has changed to a considerable extent. Perez has increased his travels throughout the country, and there are more frequent visits to his office by leaders from the interior.

There are other obvious indications: his offices in Tower Las Delicias now include the penthouse as well as an office on the ground floor and an apartment on the second floor. And plans are under way to use the 10th floor.

His secretarial staff has grown. Carlos Armando Figueredo, ex-president of the Institute of Foreign Trade, replaced Julio Camino as private secretary to the lifetime member of the senate.

Pedro Pablo Rojas will serve as his travel secretary, while a news correspondent and a photographer will travel throughout the province on a regular basis with the former president of the nation.

Octavio Lepage, for his part, has stated that he will compete for the presidential nomination with anyone, regardless. Enrique Nunez is his chief of staff, and his offices are located in Tower La Primera in Chacaito.

The head of the parliamentary faction, Carlos Canache Mata, has shown the greatest strength in the provinces. He indicates his presidential ambitions at rallies of his followers and relies on a campaign staff headed up by former Minister Roberto Padilla Fernandez.

David Morales Bellos has been behaving with the most discretion. He has his headquarters in Tower Maracaibo, headed by engineer Paul Blejman, but he takes great care not to appear too ambitious.

His situation is quite unusual in that he must, of necessity, wait for Carlos Andres Perez to openly declare whether or not he will become a candidate, since both men represent the same AD constituency.

Luis Pinerua Ordaz has revealed to various officials in the interior that he will throw his hat into the ring for the presidential candidacy. His headquarters will operate out of Tower America in Bello Monte, and his secretary will be Jose Agustin Zapata, who because of differences with Homero Parra resigned from the position of assistant to the secretary of professionals and technicians.

This indicates that there will be a great deal of internal competition within AD in 1985.

#### Gonzalo Barrios: Premature Candidacies

Party President Gonzalo Barrios is the main internal stabilizing force in AD. He always exerts the force of his moral authority and his intelligence. When speaking recently of the problem of premature candidacies in AD, he strongly warned:

"Those who play at premature candidacy are acting inappropriately. It is inappropriate because it is the wrong time. It may not be wrong place, just the wrong time. At this point, it is not possible to know the personal and intellectual orientation of whomever might be the AD candidate in the next election....

"The premature or overhasty candidates are acting against their own interest because they are preventing a greater success for the Lusinchi government and, therefore, better credentials for future elections. If because of their

disagreements they end by paralyzing the government and hence presenting weak electoral propaganda to the party as a whole, we could even lose the election and lose it because of the excessive number of both candidates and candidacies...."

Reinaldo Leandro Mora has agreed with Barrios on that observation in several statements he has made.

In conclusion, the chances for AD in the coming years will depend also on the performance by the government of President Jaime Lusinchi and the solutions which are applied to the problems facing the nation.

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CSO: 3348/15

RIGHT TO DISSENT FROM ADMINISTRATION'S POLICIES UPHELD

Caracas RESUMEN in Spanish 16 Sep 84 p 11

/Article by Alfredo Tarre Murzi/

/Text/ The activities of recent days reveal the trend of Jaime Lusinchi's regime toward abuse and arbitrary action with regard to the right we all possess to dissent from government policies. Official reaction has extended to the extreme of sanctioning a deputy from the Democratic Action Party /AD/ for having dared to express some criticism of public administration.

The touchiness and arbitrariness of Lusinchi reached the limit this week when two directors of a state-owned company and the director of an international organization became the targets of repression simply for attending a meeting with former President Herrera. Cristobol Hernandez, AD chairman of the Chamber of Deputies Economic Commission, was turned over to the AD disciplinary court as if he were a prisoner accused of high treason; and Drs Antonio Casas Gonzalez, director of the Venezuelan Petroleum Inc /PDVSA/ and Sebastian Alegrett, director of the Latin American Economic System /SELA/, were reprimanded by the official "high council" and threatened with dismissal from their posts for attending that meeting of former ministers and officials of the previous administration.

In a party like AD, with an imprecise ideological outline, of a multifaceted polyclassism, with three historical schisms and permanently conflicting currents, situations of dissent are not uncommon. Consider Pedro Conde, whose criticisms of the government are daily fare; or the unionists Antonio Rios and Juan Jose Delpino; or we are reminded of Luis Pinerua Ordaz and Marco Tulio Bruni-Celli who have revealed with marked frequency the mistakes, tactlessness and contradictions of the present government. It is a repeat of the history of dissidence by Tangel, Ramos Gimenez and Prieto in times past; and more recently of Betancourt when Carlos Andres Perez was in power. If there is a party stricken with the disease of discord and internal dissension, it is AD; and now internal struggles will continue because a disciplinary sanction has been imposed on representative Cristobol Hernandez, who only acted as a spokesman for numerous leaders of AD and was motivated by the flagrant inconsistencies of the Lusinchi administration in economic and social matters.

Regarding the situation involving Drs Casas Gonzalez and Alegrett, the government showed its irascibility through unusual press releases from the Miraflores Palace as though serious matters of state were at stake. We do not understand why an official of PDVSA endangers our oil reserves simply by having attended a meeting of politicians and experts who were studying the situation in the nation. It is as if tomorrow Dr Juan Chacin, a relative of the president, were to attend a meeting of AD members or nihilists, and the Inner Sanctum of Miraflores were to make him out to be a traitor or accuse him of sabotaging our great petroleum enterprise. We say the same for the presumed "misdeed" of Alegrett, who while admittedly holding an international position, has not stopped being a Venezuelan or a staunch party member. As far as we know, neither Casas Gonzalez nor Alegrett have expressed ideas or signed manifestos which might constitute a threat against our democratic institutions or the constitutional system. Consider how frequently AD members or leaders who were international officials under strong governments were deliberately involved in political activities without being bothered or threatened. Only a weak, mediocre regime with a country bumpkin's inferiority complex would feel upset and disturbed because two officials in the situations referred to above would attend a meeting to discuss policy in a country with a strong inclination toward civic and democratic struggle like ours. The actions of the Lusinchi government in such cases indicate its intolerance, sectarianism and poverty of spirit. Like Marti, Cristobol Hernandez could say: I know the monster because I have lived in its entrails." What a beginning for a government that promised to be tolerant, generous and open to dialogue. Having alienated and subjugated all other sources of power, it now attacks the sacred right to dissent. This is the beginning of the crassest arbitrariness, and we must therefore unite to curb this excess of jealousy and control which is the other sword of Damocles in the back of the defenseless institutions of the constitutional system.

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